

Court File No. 31-1859688  
Estate File No. 31-1859688

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF**  
**NEXT WOOD INC.**  
**OF THE CITY OF VAUGHAN**  
**IN THE PROVINCE OF ONTARIO**  
**Insolvent Person**

**RICHTER ADVISORY GROUP INC.**  
**Proposal Trustee**

**MOTION RECORD**  
**(returnable on July 2, 2014)**

June 20, 2014

**Thornton Grout Finnigan LLP**  
Barristers and Solicitors  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7

**Leanne Williams** (LSUC #41877E)  
**Kyle Plunkett** (LSUC#61044N)  
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Tel: 416-304-1616  
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Lawyers for the Proposal Trustee, Richter Advisory  
Group Inc.

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**Proposal Trustee**

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# TAB 1

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

**IN THE MATTER OF THE PROPOSAL OF**  
**NEXT WOOD INC.**  
**OF THE CITY OF VAUGHAN**  
**IN THE PROVINCE OF ONTARIO**  
**Insolvent Person**

**RICHTER ADVISORY GROUP INC.**  
**Proposal Trustee**

**NOTICE OF MOTION**  
**(Returnable on July 2, 2014)**

Richter Advisory Group Inc. (the “**Proposal Trustee**”), the Trustee acting *in re* the proposal of Next Wood Inc. (“**Next Wood**” or the “**Company**”), will make a motion before a Judge on July 2, 2014 at 10:00 o’clock in the morning or as soon after that time as the motion can be heard at 330 University Avenue, in the City of Toronto.

**PROPOSED METHOD OF HEARING:** The motion is to be heard orally.

**THE MOTION IS FOR** an Order substantially in the form attached hereto as **Schedule “A”**, *inter alia*:

1. Abridging the time for service of the Notice of Motion and Motion Record, if necessary, and declaring that this motion is properly returnable on Wednesday, July 2, 2014, and dispensing with further service thereof;
2. Approving the Proposal of Next Wood;
3. Approving the Report of Trustee on Proposal dated June 20, 2014 (the “**Report**”) and the activities of the Proposal Trustee as more particularly described in the Report; and

4. Such further and other relief as counsel may request and this Court deems just and/or equitable.

**THE GROUNDS FOR THE MOTION ARE:**

1. Next Wood specializes in the manufacture of premium quality, mid-market office furniture, including modular, freestanding casegoods and height-adjustable workstations. The Company's products are sold through an extensive retail and dealer network in both Canada and the United States of America;
2. The Company is insolvent and on April 14, 2014 it filed a Notice of Intention to Make a Proposal ("NOI") pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "BIA") and named Richter Advisory Group Inc. as the Proposal Trustee;
3. Next Wood operates from leased premises at 96 Planchet Road, Concord, Ontario and occupies approximately 20,000 sq. ft. of warehouse/manufacturing space and 3,000 sq. ft. of office and showroom space in a 50,000 sq. ft. shared facility;
4. The Company has a workforce of approximately 35 employees, none of which are unionized;
5. Subsequent to filing the NOI, the Company, in consultation with the Proposal Trustee, carried out a marketing and sale process to solicit asset purchase offers in respect of the Company's assets on a going concern or other basis (the "**Sale Process**");
6. Pursuant to the terms of the Sale Process, offers to purchase the Company and/or its assets were required to be received by the Company by no later than 5:00 p.m. EST on May 7, 2014 (the "**Offer Deadline**");
7. The Company received several offers from interested parties by the Offer Deadline, which the Company reviewed in consultation with the Proposal Trustee;
8. Subsequent to the Offer Deadline, the Company, with the assistance of the Proposal Trustee, entered into negotiations with a prospective purchaser for the sale of certain of the Company's assets on a going concern basis;

9. On May 14, 2014, the Company did lodge a Proposal with the Proposal Trustee, which Proposal was filed with the Official Receiver on May 14, 2014;
10. On May 23, 2014, the Proposal Trustee gave notice to Next Wood, the Superintendent of Bankruptcy, and to every known creditor affected by the Proposal of the calling of a meeting of creditors to consider the Proposal to be held on June 4, 2014;
11. On June 4, 2014, the meeting of creditors was held and presided over by the Proposal Trustee;
12. At the meeting of creditors, the Proposal was accepted by the requisite number and dollar value of Next Wood's unsecured creditors entitled to vote at the meeting of creditors.
13. The Company has acted and is acting in good faith and with due diligence;
14. The terms of the Proposal are reasonable;
15. The terms of the Proposal are calculated to benefit the general body of creditors;
16. It is expected that Next Wood's creditors will derive a greater benefit from Next Wood's efforts to sell its assets and collect its receivables than would be realized from a forced liquidation of Next Wood's assets;
17. The Proposal provides for a distribution to creditors that likely exceeds the dividend that would otherwise be available from Next Wood's bankruptcy;
18. In the event of Next Wood's bankruptcy, there is a risk that the estimated proceeds available to finance a distribution to Next Wood's creditors would be diminished;
19. The Proposal Trustee is of the view that the Proposal is advantageous to Next Wood's creditors, as it is the process by which creditors will maximize their recovery in the circumstances;
20. On June 13, 2014, the Proposal Trustee caused to be sent to the Superintendent of Bankruptcy, Next Wood, and to every creditor of Next Wood who has filed a Proof of

Claim, a notice of the time and place of the hearing of the application to the Court for approval of the Proposal;

21. On June 20, 2014, the Proposal Trustee forwarded a copy of the Report to the Superintendent of Bankruptcy;
22. The Proposal Trustee reported on its actions and conduct in the Report;
23. The relief sought is appropriate in the circumstances;
24. Sections 58, 62(2) and 65.13 of the BIA;
25. Rules 1.04, 2.03 and 37 of the *Rules of Civil Procedure* (Ontario);
26. The inherent and equitable jurisdiction of this Court; and
27. Such further and other grounds as counsel may advise and this Court may deem just.

**THE FOLLOWING DOCUMENTARY EVIDENCE** will be used at the hearing of the motion:

1. The Report of Trustee on Proposal dated June 20, 2014; and
2. Such further and other material as counsel may advise and this Court may permit.

Date: June 20, 2014

**Thornton Grout Finnigan LLP**  
Barristers and Solicitors  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
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**Leanne Williams** (LSUC #41877E)  
**Kyle Plunkett** (LSUC#61044N)  
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Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Proposal Trustee, Richter  
Advisory Group Inc.



**TO: THIS HONOURABLE COURT**

**AND TO: THE ATTACHED SERVICE LIST**

**EMAIL SERVICE LIST  
AS AT JUNE 20, 2014**

**TO: NEXT WOOD INC.**  
96 Planchet Road  
Concord, ON L4K 2C7

**Daryl Logan**  
Tel: (905) 660-3516 x222  
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**Bob Thomson**  
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**AND TO: LAURENTIAN BANK OF CANADA**  
Legal Department  
Suite 300, 130 Adelaide Street West  
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Email: [concetta.biello@banquelaurentienne.ca](mailto:concetta.biello@banquelaurentienne.ca)

**AND TO: DEPARTMENT OF JUSTICE CANADA**  
Ontario Regional Office  
130 King Street West, Suite 3400  
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**Diane Winters**  
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Fax: (416) 973-0810  
Email: [diane.winters@justice.gc.ca](mailto:diane.winters@justice.gc.ca)

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**Edward Park**  
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**AND TO: MINISTRY OF FINANCE**  
Legal Services Branch  
33 King Street West, 6th Floor  
Oshawa, ON L1H 8H5

**Kevin J. O'Hara**  
Tel: (905) 433-6934  
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**AND TO: KEYSER MASON BALL LLP**  
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**Sarah Macdonald**  
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**AND TO: THORNTON GROUT FINNIGAN LLP**

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Lawyers for the Proposal Trustee, Richter Advisory Group Inc.

**AND TO: RICHTER ADVISORY GROUP INC.**

Suite 300, 2345 Yonge Street  
Toronto, ON M4P 2E5

**Adam Sherman**

Tel: (416) 642-4836  
Fax: (416) 488-3765  
Email: [ASherman@Richter.ca](mailto:ASherman@Richter.ca)

The Proposal Trustee

**COURIER SERVICE LIST  
AS AT JUNE 20, 2014**

**TO: 1394507 ONTARIO LIMITED**  
527460 – 5 Sideroad, R.R. #3  
Mansfield, ON L0N 1M0

**AND TO: DIANE M. THOMSON**  
18936 Leslie Street  
Sharon, ON L0G 1V0

**AND TO: MARILYN J. LOGAN**  
R.R. #3  
Mansfield, ON L0N 1M0

**AND TO: ROYAL BANK OF CANADA**  
Legal Services Group  
180 Wellington Street W  
Toronto, ON M5J 1J1

IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO  
Insolvent Person

RICHTER ADVISORY GROUP INC., Proposal Trustee

Court File No. 31-1859688  
Estate No. 31-1859688

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

Proceedings commenced at Toronto

NOTICE OF MOTION  
(RETURNABLE ON JULY 2, 2014)

Thornton Grout Finnigan LLP  
Barristers and Solicitors  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
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Tel: 416-304-1616  
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Lawyers for the Proposal Trustee, Richter Advisory Group Inc.

## **TAB 2**

**Court File No. 31--1859688**

**IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO**

**JUNE 20, 2014**



**ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST**

**IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO**

**REPORT OF TRUSTEE ON PROPOSAL**  
(Section 58(d) of the *Bankruptcy and Insolvency Act*)

**JUNE 20, 2014**

Richter Advisory Group Inc. ("**Richter**"), the Trustee acting *in re* the proposal of Next Wood Inc. ("**Next Wood**" or the "**Company**"), an insolvent company, hereby reports to the Court that:

1. The Company filed a Notice of Intention to Make a Proposal ("**NOI**") under Section 50.4 (1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B.-3, as amended (the "**BIA**"), on April 14, 2014. A copy of the NOI, together with the Certificate of Filing a Notice of Intention to Make a Proposal, is attached hereto as **Exhibit "A"**.
2. A copy of Next Wood's Statement of Projected Cash-flow for the period April 14, 2014 to July 11, 2014 and related reports pursuant to Section 50.4(2) of the BIA, copies of which are attached hereto as **Exhibit "B"**, were filed with the Official Receiver on April 22, 2014.
3. The Company did lodge with the Trustee a Proposal (the "**Proposal**"), which Proposal was filed with the Official Receiver on May 14, 2014. A copy of the Proposal is attached hereto as **Exhibit "C"**.

4. On the 23<sup>rd</sup> day of May, 2014, the Trustee gave notice (the “**Notice**”) to the Company, to the Superintendent of Bankruptcy (the “**Superintendent**”) and to every known creditor affected by the Proposal of the calling of a meeting of creditors (the “**Meeting of Creditors**”) to be held on the 4<sup>th</sup> day of June, 2014 to consider the Proposal. A copy of the Notice (excluding exhibits) is attached hereto as **Exhibit “D”**.
5. With the Notice was included a copy of the Proposal, the Company’s Statement of Affairs, a list of creditors affected by the Proposal showing the amounts of their respective claims according to the Company’s records, a form of Proof of Claim and Proxy in blank, and a Voting Letter. A copy of the Statement of Affairs is attached hereto as **Exhibit “E”**.
6. Prior to the Meeting of Creditors, the Trustee conducted and caused to be made a careful and detailed enquiry into the liabilities of the Company, the Company’s assets and the value thereof, the Company’s conduct, and the causes of the Company’s insolvency. A copy of the Trustee’s Report to Creditors (the “**Trustee’s Report**”), which was mailed on May 23, 2014 to the Company’s creditors is attached hereto as **Exhibit “F”**.
7. The Meeting of Creditors was held on June 4, 2014, and was presided over by Mr. Adam Sherman of Richter.
8. At the Meeting of Creditors, the Proposal was accepted by the requisite number and dollar value of Next Wood’s unsecured creditors entitled to vote at the Meeting of Creditors, as set out in the table below:

<b>Votes For</b>		<b>Votes Against</b>	
Number	70	Number	6
Percentage in Number	92.11%	Percentage in Number	7.89%
Dollar Value	\$ 1,597,677.50	Dollar Value	\$ 236,366.47
Percentage in Dollar Value	87.11%	Percentage in Dollar Value	12.89%

A copy of the minutes of the Meeting of Creditors is attached hereto as **Exhibit “G”**.

9. At the Meeting of Creditors, Ms. Brigitte Parent, Mr. Enzo Muzzin and Ms. Lisa Lee were elected to be inspectors in the Company's Proposal.
10. The Trustee is of the opinion that:
  - (i) the assets of the Company and their fair realizable value are as reflected on the Statement of Affairs (see Exhibit "E"); and
  - (ii) the liabilities of the Company, excluding potential claims of former employees for termination and/or severance pay, are as reflected on the Statement of Affairs (see Exhibit "E").
11. The Trustee is also of the opinion that:
  - (i) based on the information provided by the Company, the cause of Next Wood's financial difficulties was declining sales over the previous several years culminating in an EBITDA loss for the year ended April 30, 2014;
  - (ii) based on the Trustee's investigations, as set out in paragraph 6 above, the Trustee did not identify any transactions that may qualify as preferences and/or transfers at undervalue pursuant to the BIA; and
  - (iii) the Trustee is not aware of any facts, pursuant to Section 173 of the BIA, which may be proved against the Company.
12. The Trustee is further of the opinion that the Proposal is an advantageous one for the Company's creditors for the following reasons:
  - (i) it is expected that Next Wood's creditors will derive a greater benefit from the Company's efforts to sell its assets and collect its receivables than would be realized from a forced liquidation of the Company's assets;

- (ii) based on the analysis set out in the Trustee's Report, the Trustee believes that the Proposal provides for a distribution to Next Wood's creditors that likely exceeds the dividend that would be otherwise available in a bankruptcy;
  - (iii) the Proposal is calculated to benefit the general body of the creditors of Next Wood; and
  - (iv) in the event of the Company's bankruptcy, there is risk that the estimated proceeds available to finance a distribution to Next Wood's creditors will be diminished.
13. On the 13<sup>th</sup> day of June, 2014, the Trustee caused to be sent to the Superintendent, the Company and to every creditor of the Company who has filed a Proof of Claim, a notice of the time and place of the hearing of the application to the Court to approve the Proposal. A copy of the above-noted notice is attached hereto as **Exhibit "H"**.
14. On the 20<sup>th</sup> day of June, 2014, the Trustee forwarded a copy of this Report to the Superintendent.
15. Based on the information set out in this Report and the Trustee's Report, the Trustee is of the opinion that the Proposal is advantageous to the Company's creditors, as it is the process by which the creditors' should maximize their recovery.
16. Based on the information set out in this Report and the Trustee's Report, the Trustee recommends to the Court that the Proposal be approved.

Dated this 20<sup>th</sup> day of June, 2014.

**Richter Advisory Group Inc.**  
**in its capacity as Proposal Trustee of**  
**Next Wood Inc.**



Adam Sherman, MBA, CIRP

## **APPENDIX “A”**

District of:  
Division No. -  
Court No.  
Estate No.

- FORM 33 -  
Notice of Intention To Make a Proposal  
(Subsection 50.4(1) of the Act)

Take notice that:

1. I, Next Wood Inc., an insolvent person, state, pursuant to subsection 50.4(1) of the Act, that I intend to make a proposal to my creditors.
2. Richter Advisory Group Inc. of 181 Bay Street, 33rd Floor, Toronto, ON, M5J 2T3, a licensed trustee, has consented to act as trustee under the proposal. A copy of the consent is attached.
3. A list of the names of the known creditors with claims of \$250 or more and the amounts of their claims is also attached.
4. Pursuant to section 69 of the Act, all proceedings against me are stayed as of the date of filing of this notice with the official receiver in my locality. *Next Wood Inc.*

Dated at the City of Toronto in the Province of Ontario, this 11th day of April 2014.

*NEXT WOOD INC.*  
per: *[Signature]*  
Daryl Logan *Next Wood Inc.*  
President of the Insolvent Person *[Signature]*

To be completed by Official Receiver:

Filing Date \_\_\_\_\_

\_\_\_\_\_  
Official Receiver

- Proposal Consent -

In the Matter of the Notice of Intention to Make a Proposal of  
Next Wood Inc.  
Of the City of Concord  
In the Province of Ontario

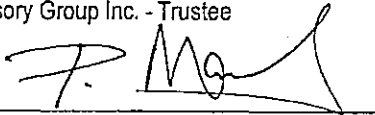
To whom it may concern,

This is to advise that we hereby consent to act as trustee under the Bankruptcy and Insolvency Act for the proposal of Next Wood Inc.

Dated at the City of Montréal in the Province of Quebec, this 14th day of April 2014.

Richter Advisory Group Inc. - Trustee

Per:



Philip Manel, CPA, CA, CIRP

181 Bay Street, 33rd Floor

Toronto ON M5J 2T3

Phone: (416) 488-2345 Fax: (416) 488-3765

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
1394507 ONTARIO LTD	2345 YONGE STREET, SUITE 300 TORONTO ON M4P 2E5		50,000.00
1604344 ONTARIO INC.	130 PALACE STREET WHITBY ON L1N 5E8		8,472.02
ACCORD FINANCIAL INC, RE: IMPEKK	3500 DE MAISONNEUVE BLVD,W MONTREAL QC H3Z 3C1		10,012.93
ACCORD FINANCIAL INC.	3500 DE MAISONNEUVE BLVD W MONTREAL QC H3Z 3C1		2,562.84
ACTION PAPER & PACKAGING C	100 COMMANDER BLVD., SCARBOROUGH ON M1S 3H7		3,056.94
ADHECO LTD.	10390 TAPSCOTT RD. SCARBOROUGH ON M1B 2Y9		8,480.39
AERO PLASTICS LTD.	3-91 CITATION DRIVE CONCORD ON L4K 2Y8		44,911.83
AIR LIQUIDE CANADA INC.	1700 STEELES AVE EAST BRAMALEA ON L6T 1A6		1,205.36
ALPA LUMBER MILLS INC.	13130 DUFFERIN ST. KING CITY ON L7B 1K5		6,057.58
ART METZ CONTRACT INTERIOR	400-123 BANNATYNE AVE E. WINNIPEG MB R3B 0R3		3,012.57
B&B PAPER PLUS LTD	2935 LOVETT ROAD COLDBROOK NS B4R 1A6		6,653.46
BELL CANADA	P.O.BOX 9000 STN DON MILLS NORTH YORK ON M3C 2X7		936.17
BENEPLAN INC	500-150 FERRAND DRIVE TORONTO ON M3C 3E5		17,777.84
BIESSE CANADA INC.	18005 RUE LAPOINTE MIRABEL QC J7J 0G2		1,152.13
BOTHWELL STEEL	133 GROHAVE CAMBRIDGE ON N3C 4B1		9,735.66
BRASSARDBURO FOURN. ET ENV.	1379, RUE DES CHAMPS-ELYSE CHICOUTIMI QC G7H 6J2		6,390.78
BRITE-CON SALES INC.	8-601 EDGELEY BLVD. CONCORD ON L4K 4G2		2,106.78
CAMERON ASSOCIATES	14 BANK STREET RUSSELL ON K4R 1A9		5,419.34
CANADA POST CORPORATION	ACCOUNTS MANAGEMENT GROUP E0680A-2701 RIVERSIDE DR OTTAWA ON K1A 1L7		518.05



List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
CANMADE	280 APPLEWOOD CRES., UNIT CONCORD ON L4K 4B4		16,829.46
CANSTAFF EMPLOYMENT AGENCY	2-20 NUGGET AVENUE SCARBOROUGH ON M1S 3B1		17,070.95
CAPITAL OFFICE INTERIORS L	16 ANTARES DRIVE NEPEAN ON K2E 7Y7		945.30
CAPSTONE OFFICE SOLUTIONS *	1820 UNIVERSITY BLVD TUSCALOOSA AL 35407 USA		300.10
CARDINAL FASTENERS	120 VENTURE DRIVE SCARBOROUGH ON M1B 3L6		1,393.29
CCT CANADA	6900 TRANMERE DRIVE MISSISSAUGA ON L5S 1L9		11,047.67
CHEP CANADA INC.	C/O TH1203C PO BOX 4290, STN A TORONTO ON M5W 0E1		543.50
COHEN & COHEN	92 BENTLEY AVE. OTTAWA ON K2E 6T9		1,496.42
COMMONWEALTH PLYWOOD LTD	25 DANSK COURT REXDALE ON M9W 5N6		120,064.09
COMTRAD	5106 TIMBERLEA BLVD MISSISSAUGA ON L4W 2S5		1,080.28
COPA	402-2800 SKYMARK AVENUE MISSISSAUGA ON L4W 5A6		1,604.60
CORPORATE EXPRESS CANADA I	PO BOX 2050, CRO HALIFAX NS B3J2Z1		1,659.99
COVERALL OF CANADA	2969 SHEPPARD AVE.E TORONTO ON M1T 3J5		993.27
CROMAC CHEMICAL LTD.	80 SUMMERLEA ROAD BRAMPTON ON L6T 4X3		1,274.08
DAY & ROSS INC.	398 MAIN STREET HARTLAND NB E7P 1C6		946.12
DE LAGE LANDEN FINANCIAL S	1-3450 SUPERIOR COURT OAKVILLE ON L6L 0C4		1,433.69
DIANE M. THOMSON	2345 YONGE STREET, SUITE 300 TORONTO ON M4P 2E5		100,000.00
DMP FURNITURE MARKETING	41 KALI LANE ELMSDALE NS B2S 1A1		14,630.07
DOCUMENT MANAGEMENT SOLUTI	#7-125 TRADERS BLVD. EAST MISSISSAUGA ON L4Z 2H3		511.31

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
DURA EDGE INC.	230 CLARENCE STREET BRAMPTON ON L6W 1T4		1,714.06
ENBRIDGE CONSUMERS GAS	ACCT#910006577633 PO BOX 644 SCARBOROUGH ON M1K 5H1		5,284.49
ENBRIDGE CONSUMERS GAS	ACCT#91007149355 P.O. BOX 644, SCARBOROUGH ON M1K 5H1		4,954.40
EXTRUDE-A-TRIM	360 CARLINGVIEW DRIVE TORONTO ON M9W 5X9		406.18
F.S.TOOL CORPORATION	71 HOBBS GATE MARKHAM ON L3R 9T9		1,239.22
F.T.N. Laminating (1987) L	2331 ANSON DRIVE MISSISSAUGA ON L5S 1G1		1,894.40
FIELD OF GREENS GROUNDSKEE	4-117 PLANCHET RD. CONCORD ON L4K 2C6		960.50
G&T BUREAU SPEC	33 GREENBELT DRIVE TORONTO ON M3C 1M1		68,285.52
GARY BROWN	45 BURLINGTON AVENUE MONCTON NB E1E 1Y8		296.42
GERRITY CORRUGATED PAPER P	75 DONEY CRESCENT, CONCORD ON L4K 1P6		881.45
GLOBAL FREIGHT SERVICES	265-92 CAPLAN AVENUE BARRIE ON L4N 0Z7		10,360.35
GLOBAL FREIGHT SERVICES *	265-92 CAPLAN AVENUE BARRIE ON L4N 0Z7		1,370.00
GLOBE STAMPING COMPANY LTD	P.O. BOX 874, 151 TRILLIUM DRIVE KITCHENER ON N2G 4C5		2,777.34
H.B. ETLIN CO. LTD.	1850 WILSON AVE WESTON ON M9M 1A1		456.34
HAFELE CANADA INC.	5323 JOHN LUCAS DRIVE BURLINGTON ON L7L 6A8		1,727.12
HALLTECH INC.	465 CORONATION DRIVE TORONTO ON M1E 2K2		632.80
HOLD-TITE FASTENERS LTD.	100 VILLARBOIT CRES. CONCORD ON L4K 4K2		13,941.76
HOLZ-HER CANADA INC.	4345 AUTOROUTE DES LAURENT LAVAL QC H7L 5W5		633.92

List of Creditors with claims of \$250 or more.

Creditor	Address	Account#	Claim Amount
IBM Canada Limited	PO BOX 5100, STATION F TORONTO ON M4Y 2T5		339.00
INFOCUS COR. ENVIRONMENT	9181 Wilberforce St BURNABY BC V3N 4C7		7,857.33
INTERIOR OPTIONS GROUP INC	66 NAPA RIDGE ALLISTON ON L9R 2E4		6,018.83
JENFAB METAL FABRICATION LIMITED	31 CASMIR COURT CONCORD ON L4K4H5		17,817.06
JOE ESKRIDGE *	2513 WINDSOR AVENUE OWENSBORO KY 42301 USA		375.00
JOHN CLINGEN *	135 FAWNWOOD DRIVE BRANDON MS 39042 USA		503.64
JOWAT CANADA LTD.	PO BOX 149 MISSISSAUGA ON L5M 2B7		1,582.00
KLM WOODWORKING MACHINERY	209 TOWNSEND AVE. BURLINGTON ON L7T 1Z5		2,237.40
KNAPE & VOGT MANUFACTURING	C/O T56385C, P.O. BOX 56385, STN A TORONTO ON M5W 4L1		6,689.10
LAURENTIAN BANK	1981 AVE MCGILL COLLEGE MONTREAL QC H3A 3K3		1,056,000.00
LIESCH OFFICE INTERIORS	#106 250A GOVERNMENT ST VICTORIA BC V8P 4P7		865.79
MAGENA OFFICE INTERIORS LT	1588 RAND AVENUE VANCOUVER BC V6P 3G2		2,469.06
MARILYN J. LOGAN	2345 YONGE STREET, SUITE 300 TORONTO ON M4P 2E5		200,000.00
MARITIME-ONTARIO FREIGHT L	1 MARITIME-ONTARIO BLVD. BRAMPTON ON L6S 6G4		6,383.95
MILLENNIUM OFFICE FURNISHI	981 CENTURY STREET WINNIPEG MB R3H 0W4		8,551.05
MODERN FORK LIFT SERVICE L	630 GARYRAY DRIVE WESTON ON M9L 1R1		908.66
MODULAR SYSTEMS INC. *	169 WEST PARK ST. FRUITPORT MI 49415 USA		2,122.56
MTS ALLSTREAM	PO BOX 3500 STN MAIN WINNIPEG MB R3C 0B7		564.50
NEOPOST CANADA LIMITED	150 STEELCASE ROAD W MARKHAM ON L3R 3J9		655.77

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
NESS SECURITY INC.	PO BOX 3009 1730 BUR OAK AVE., BLDG G MARKHAM ON L6E 0J1		288.15
NICHOLSON CATES LIMITED	BOX 219 BURLINGTON ON L7R 3Y2		8,856.65
NIPPON EXPRESS CANADA LTD.	6250 EDWARDS BLVD MISSISSAUGA ON L5T 2X3		1,746.98
NOKI OFFICE SOLUTIONS INC.	28 SUNWOOD COURT S.W. MEDICINE HAT AB T1B 4Y5		1,154.13
NORTOWN AIR	20 DENSLEY AVENUE TORONTO ON M6M 2R1		880.27
OCTOPUS PRODUCTS LTD.	23 GURNEY CRESCENT TORONTO ON M6B 1S9		1,690.48
OE BUSINESS IMAGING	1730 BISHOP STREET B1 CAMBRIDGE ON N1T 1N4		705.61
OFFICE CENTRAL	498 MARKLAND STREET BLDG MARKHAM ON L6C 1Z6		944.64
OFFICE INTERIORS	711 WOODSTOCK ROAD FREDICTON NB E3B 5Y5		35,033.49
ORKIN CANADA	5840 FALBOURNE STREET MISSISSAUGA ON L5R 4B5		452.00
P.K. PROFESSIONAL CARRIER	11608 149 STREET NW EDMONTON AB T5M 3R3		37,492.95
PIIONEER COMPUTER CORPORATION *	500-50740 PRINCESS WAY GRANGER IN 46530 USA		9,206.00
POI BUSINESS INTERIORS	120 VALLEYWOOD DRIVE MARKHAM ON L3R 6A7		4,980.94
POWDER COATERS INC.	5777 STEELES AVENUE WEST NORTH YORK ON M9L 2W3		8,258.20
POWER STREAM INC	P.O. BOX 3700 CONCORD ON L4K 5N2		22,651.55
PREMIER MARKINGS	9-1011 HAULTAIN COURT MISSISSAUGA ON L4W 1W1		995.53
PRIME-TECH ELECTRIC	665 MILLWAY AVE., UNIT6 CONCORD ON L4K 3T8		418.10
PRIMUS CANADA	P.O. BOX 4662 POSTAL STATION A TORONTO ON M5W 5H4		419.92
PUROLATOR COURIER LTD	P.O.BOX 1100, ETOBICOKE POSTAL STN A ETOBICOKE ON M9C 5K2		1,670.48

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
QUEFER INC.	153 RUE ST-PIERRE ST-PIE QC J0H 1W0		2,835.74
RAY EQUIP	50 TOPPER COURT, WOODBIDGE ON L4L 8H6		271.20
RAYMOND BOUCHER	807-7275 RUE DE BEAUFORT ANJOU QC H1M 3X5		7,113.57
REAP AIR COMPRESSOR	513 SPEERS RD. OAKVILLE ON L4K 2G4		2,825.00
RICHELIEU HARDWARE LTD	7900 HENRI BOURASSA WEST ST-LAURENT QC H4S 1V4		25,695.08
ROGER A BROWN LTD	18 PARK MEADOWS RD. WINNIPEG MB R3K 1B8		2,655.85
ROYAL CONTAINERS LTD.,	80 MIDAIR COURT BRAMPTON ON L6T 5V1		28,953.94
ROYCE-AYR CUTTING TOOLS IN	405 SHELDON DRIVE CAMBRIDGE ON N1T 2B7		2,314.88
SALTEX INC.	2-49 RIVALDA ROAD NORTH YORK ON M9M 2M4		940.73
SANDRA BATTEN	9 ACORN COURT MONCTON NB E1G 4X9		749.47
SEALED AIR (CANADA) CO./CI	PO BOX 15400 STATION A TORONTO ON M5W 1C1		4,725.19
SENSYST BUSINESS INT.	14-6355 KENNEDY ROAD MISSISSAUGA ON L5T 2L5		27,032.91
SHAWN LEAN	711 WOODSTOCK ROAD FREDERICTON NB E3B 5N8		3,819.14
SMARTPRINT INC.	44 UPJOHN ROAD TORONTO ON M3B 2W1		294.89
SUNDOG FURNITURE	1 BARTLEY CRES OTTAWA ON K2J 1R9		17,987.38
SUPERIOR PROPANE INC.	1265 ARTHUR ST E THUNDER BAY ON P7E 6E7		564.19
THE EXECUTIVE COMMITTEE LTD	SUITE 1200-833 4TH AVE SW CALGARY AB T2P 3T5		4,678.20
THE TRY-MITRE GROUP INC.	2345 YONGE STREET, SUITE 300 TORONTO ON M4P 2E5		30,020.00
TOP EMPLOYMENT AGENCY INC.	210-398 STEELES AVE.W. THORNHILL ON L4J 6X3		72,375.05

List of Creditors with claims of \$250 or more.			
Creditor	Address	Account#	Claim Amount
TOPS TOTAL OFFICE PRODUCT	1 - 420 BANKS ROAD KELOWNA BC V1X 6A3		495.18
TRIAD OFFICE INTERIORS	100-3345 NORTH SERVICE RD BURLINGTON ON L7N3G2		8,605.47
UPS CANADA LTD	P.O. BOX 4900, STATION A TORONTO ON M5W 0A7		682.47
VENTURE INTERIORS	73 PLAUNT STREET S RENFREW ON K7V 1M5		9,029.79
WANDEROSA WOOD PRODUCTS IN	150 PARR BOULEVARD BOLTON ON L7E 4E6		28,914.43
WESKO SYSTEMS	4570 EASTGATE PARKWAY MISSISSAUGA ON L4W 3W6		2,061.12
WESTERN LOGISTICS INC	1555 BRIGANTINE DRIVE COQUITLAM BC V3K 7C2		20,450.81
WESTERN LOGISTICS -US *	1555 BRIGANTINE DRIVE COQUITLAM BC V3K 7C2		4,047.37
WESTON PREMIUM WOODS	25 AUTOMATIC DRIVE BRAMPTON ON L6S 5N8		69,955.45
WILSONART INTERNATIONAL IN	380 COURTNEY PARK DRIVE, UNIT A MISSISSAUGA ON L5T 2S5		4,181.62
ZZ US EXCHANGE at 1.0960			20,876.52
<b>Total</b>			<b>2,465,042.54</b>



## **APPENDIX “B”**



**Next Wood Inc.  
Cash Flow Forecast**

Week Ending	18-Apr	25-Apr	02-May	09-May	16-May	23-May	30-May	06-Jun	13-Jun	20-Jun	27-Jun	04-Jul	11-Jul	Totals
Cash Inflows	50,036	109,459	72,518	152,828	244,325	209,059	167,212	140,828	97,498	66,395	88,594	54,350	-	1,453,112
Cash Disbursements:														
Additional Raw Materials	30,000	-	-	-	-	-	-	-	-	-	-	-	-	30,000
Payroll	125,000	30,000	15,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	230,000
Plant/Supplies/Waste	1,000	1,000	500	500	500	500	5,000	-	-	-	-	-	-	9,000
Utilities	4,500	-	-	-	-	-	5,000	-	-	-	3,000	-	-	16,500
Rent	-	-	30,133	-	-	-	-	30,133	-	-	-	-	-	60,266
WSIB	-	-	6,000	-	-	-	-	-	-	-	-	-	-	6,000
HST	-	-	5,000	-	-	-	-	-	-	-	-	-	-	5,000
Insurance	-	-	2,600	-	-	-	-	2,600	-	-	-	-	-	5,200
Bank Fees/Interest	-	15,000	-	-	-	-	10,000	-	-	-	-	-	-	25,000
Professional Fees	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	130,000
Term Loan Repayment	-	-	3,500	-	-	-	-	3,500	-	-	-	3,500	-	10,500
Total Cash Disbursements	166,000	64,500	72,733	16,500	16,500	16,500	36,000	52,233	16,000	16,000	19,000	19,500	16,000	527,466
Net Cash Flow	(115,964)	44,959	(25)	136,328	227,825	192,559	131,212	88,595	61,498	50,395	69,594	34,850	(16,000)	925,646

The projected statement of cash flow has been prepared pursuant to the requirements of Section 50.4(2) of the *Bankruptcy and Insolvency Act* and solely for that purpose.

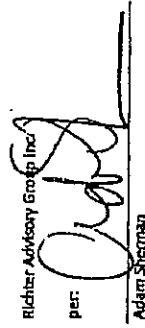
Dated at Vaughan, Ontario, this 22nd day of April, 2014

  
Next Wood Inc.

PHILIP MANLEY  
Name of Signing Officer

PRESIDENT  
Title of Signing Officer

This projected statement of cash flow of Next Wood Inc. has been prepared in accordance with Section 50.4(2) of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the attached Trustee's Report of Cash Flow Statement dated the 22nd day of April, 2014 and the Report on Cash Flow Statement by the Company Making the Proposal dated the 22nd day of April, 2014.

  
per: Adam Sherman  
Richter Advisory Group Inc.

  
per: Philip Manley  
Richter Advisory Group Inc.

District of: Ontario  
Division No.: 09-Toronto  
Court No.: 31-1859688  
Estate No.: 31-1859688

- FORM 30 -  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of  
Next Wood Inc.  
Of the City of Vaughan  
In the Province of Ontario

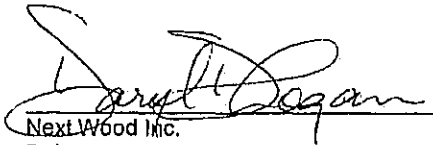
The management of Next Wood Inc. has developed the assumptions and prepared the attached statement of projected cash flow of the insolvent person, as of the 10<sup>th</sup> day of April 2014 consisting of the period April 14, 2014 to July 11, 2014.

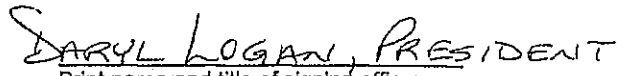
The hypothetical assumptions are reasonable and consistent with the purpose of the projection described in the notes attached, and the probable assumptions are suitably supported and consistent with the plans of the insolvent person and provide a reasonable basis for the projection. All such assumptions are disclosed in the notes attached.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented, and the variations may be material.

The projection has been prepared solely for the purpose described in the notes attached, using a set of hypothetical and probable assumptions set out in the notes attached. Consequently, readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Vaughan in the Province of Ontario, this 22<sup>nd</sup> day of April 2014.

  
Next Wood Inc.  
Debtor

  
DARYL LOGAN, PRESIDENT  
Print name and title of signing officer

District of: Ontario  
Division No.: 09-Toronto  
Court No.: 31-1859688  
Estate No.: 31-1859688

- FORM 30 - Attachment  
Report on Cash-Flow Statement by the Person Making the Proposal  
(Paragraphs 50(6)(c) and 50.4(2)(c) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of  
Next Wood Inc.,  
Of the City of Vaughan  
In the Province of Ontario

**Purpose:**

Next Wood Inc. filed a Notice of Intention to Make a Proposal on April 14, 2014. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Next Wood Inc. (the "Company"), for the period April 14, 2014 to July 11, 2014, relating to the filing of a Notice of Intention to Make a Proposal on April 14, 2014.

This Statement of Projected Cash Flow has been prepared by management on April 10, 2014, based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period April 14, 2014 to July 11, 2014, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

**Assumptions:**

(a) Projected Cash Receipts

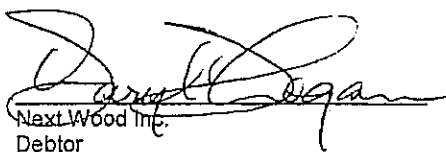
The projected cash receipts have been conservatively estimated by management, based upon the collection experience of the Company.

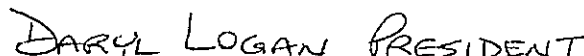
(b) Projected Cash Disbursements

The projected cash disbursements have been estimated based upon historical data adjusted to reflect the current level of activity and best estimates of the Company;

The current government remittances for source deductions and sales taxes have been included in the disbursement assumptions.

Dated at the City of Vaughan In the Province of Ontario, this 22<sup>nd</sup> day of April 2014.

  
Next Wood Inc.  
Debtor

  
DARYL LOGAN, PRESIDENT  
Print name and title of signing officer

District of: Ontario  
Division No.: 09-Toronto  
Court No.: 31-1859688  
Estate No.: 31-1859688

FORM 29  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of  
Next Wood Inc.  
Of the City of Vaughan  
In the Province of Ontario

The attached statement of projected cash flow of Next Wood Inc., as of the 10<sup>th</sup> day of April 2014, consisting of the period from April 14, 2014 to July 11, 2014, has been prepared by the management of the insolvent person for the purpose described in the notes attached, using the probable and hypothetical assumptions set out in the notes attached.

Our review consisted of inquiries, analytical procedures and discussion related to information supplied to us by the management and employees of the insolvent person. Since hypothetical assumptions need not be supported, our procedures with respect to them were limited to evaluating whether they were consistent with the purpose of the projection. We have also reviewed the support provided by management for the probable assumptions and preparation and presentation of the projection.

Based on our review, nothing has come to our attention that causes us to believe that, in all material respects,

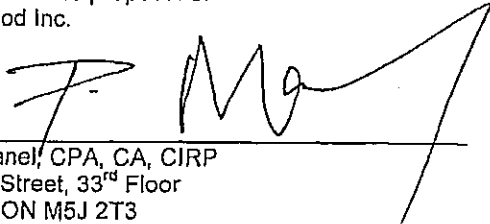
- (a) the hypothetical assumptions are not consistent with the purpose of the projection;
- (b) as at the date of this report, the probable assumptions developed are not suitably supported and consistent with the plans of the insolvent person or do not provide a reasonable basis for the projection, given the hypothetical assumptions; or
- (c) the projection does not reflect the probable and hypothetical assumptions.

Since the projection is based on assumptions regarding future events, actual results will vary from the information presented even if the hypothetical assumptions occur, and the variations may be material. Accordingly, we express no assurance as to whether the projection will be achieved.

The projection has been prepared solely for the purpose described in the notes attached, and readers are cautioned that it may not be appropriate for other purposes.

Dated at the City of Montreal in the Province of Quebec, this 22<sup>nd</sup> day April 2014.

Richter Advisory Group Inc.  
Trustee *in re* the proposal of  
Next Wood Inc.



Philip Manel, CPA, CA, CIRP  
181 Bay Street, 33<sup>rd</sup> Floor  
Toronto, ON M5J 2T3  
Phone: (416) 488-2305 Fax: (416) 488-3765

District of: Ontario  
Division No.: 09-Toronto  
Court No.: 31-1859688  
Estate No.: 31-1859688

FORM 29 – ATTACHMENT  
Trustee's Report on Cash-Flow Statement  
(Paragraphs 50(6)(b) and 50.4(2)(b) of the Act)

In the Matter of the Notice of Intention to Make a Proposal of  
Next Wood Inc.  
Of the City of Vaughan  
In the Province of Ontario

**Purpose:**

Next Wood Inc. filed a Notice of Intention to Make a Proposal on April 14, 2014. The purpose of this Statement of Projected Cash Flow is to present the estimated cash receipts and disbursements of Next Wood Inc. (the "Company"), for the period April 14, 2014 to July 11, 2014, relating to the filing of a Notice of Intention to Make a Proposal on April 14, 2014.

This Statement of Projected Cash Flow has been prepared by management on April 10, 2014, based on available financial information at that date in accordance with Section 50.4(2) of the Bankruptcy and Insolvency Act and should be read in conjunction with the Trustee's Report on the Cash Flow Statement. Readers are cautioned that this information may not be appropriate for other purposes.

**Projection Notes:**

The Statement of Projected Cash Flow has been prepared using probable assumptions supported and consistent with the plans of the Company for the period April 14, 2014 to July 11, 2014, considering the economic conditions that are considered the most probable by management.

As the cash flow is based upon various assumptions regarding future events and circumstances, variances will exist and said variances may be material. Accordingly, we express no assurance as to whether the projections will be achieved.

**Assumptions:**

(a) Projected Cash Receipts

The projected cash receipts have been conservatively estimated by management, based upon the collection experience of the Company.

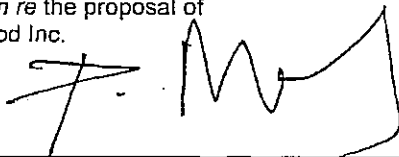
(b) Projected Cash Disbursements

The projected cash disbursements have been estimated based upon historical data adjusted to reflect the current level of activity and best estimates of the Company;

The current government remittances for source deductions and sales taxes have been included in the disbursement assumptions.

Dated at the City of Montreal in the Province of Quebec, this 22<sup>nd</sup> day April 2014.

Richter Advisory Group Inc.  
Trustee *in re* the proposal of  
Next Wood Inc.



---

Philip Manel, CPA, CA, CIRP  
181 Bay Street, 33<sup>rd</sup> Floor  
Toronto, ON M5J 2T3  
Phone: (416) 488-2305 Fax: (416) 488-3765

## APPENDIX “C”

District of Ontario  
Division No. 09 – Toronto  
Court No. 31-1859688  
Estate No. 31-1859688

**IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE  
A PROPOSAL OF NEXT WOOD INC.**

**PROPOSAL**

Next Wood Inc. (“Next Wood” or the “Company”), the above named Debtor, hereby submits the following Proposal under the *Bankruptcy and Insolvency Act* (Canada), R.S.C. (1985), c.B-3, as amended.

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Part VI – EVENTS OF DEFAULT AND ANNULMENT .....	- 8 -
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## PART I- INTERPRETATION

### Definitions

1. In this Proposal, capitalized terms shall have the following meanings:
  - (a) "Act" means the *Bankruptcy and Insolvency Act* (Canada), R.S.C. (1985), c.B-3, as it may be amended from time to time;
  - (b) "Administrative Fees and Expenses" means:
    - (i) The proper fees and expenses of the Proposal Trustee, including their legal fees and disbursements; and
    - (ii) The legal and consulting fees and disbursements of Next Wood and its counsel on and incidental to the making of this Proposal both before and after the Filing Date, including, but not limited to, review of the financial affairs of Next Wood, advice with respect to the Proposal process and alternatives thereto, negotiations with creditors in connection with the Proposal; drafting and preparation of the Proposal documents and incidental documents; and advice concerning the transactions and agreements contemplated hereby and the work done towards the implementation thereof, including advice on all such matters.
  - (c) "Approval Order" means an order of the Court approving the Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed, or any appeal therefrom having been dismissed and such dismissal having become final;
  - (d) "Assets" means all or substantially all of the assets of Next Wood;
  - (e) "Business Day" means any day other than a Saturday or a Sunday or a day observed as a public holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
  - (f) "Claim" means any claim provable under the Act which is secured or unsecured and specifically includes any indebtedness, liability, action, cause of action, suit, debt, due, accrual, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of Next Wood to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date;
  - (g) "Closing" means the day on which the Proposed Transaction is completed;
  - (h) "Court" means the Ontario Superior Court of Justice;





- (i) **"Creditor(s)"** means any person or persons who holds one or more valid Claims which have not been finally and conclusively disallowed;
- (j) **"Creditors' Meeting"** means the meeting of the Creditors called for the purpose of considering and voting upon the Proposal;
- (k) **"Creditors' Meeting Date"** means such date and time as may be called by the Proposal Trustee, but in any event shall be no later than twenty-one (21) days following the filing of this Proposal with the Official Receiver;
- (l) **"Crown Claim"** means all amounts of a kind that could be subject to a demand under subsection 224(1.2) of *the Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.) (the "ITA"), as amended or under any substantially similar provision of provincial legislation and that were outstanding at the time of the Filing Date;
- (m) **"Effective Date"** means the date on which the transactions and agreements provided for in this Proposal become effective, which date shall be no later than the later of the:
  - (i) Approval Order;
  - (ii) Closing; and
  - (iii) Next Wood's payment of the Funds to the Proposal Trustee.
- (n) **"Event of Default"** has the meaning given to it in Part VI of this Proposal;
- (o) **"Filing Date"** means the date on which the Notice of Intention to Make a Proposal was filed with the Office of the Superintendent in Bankruptcy, namely April 14, 2014;
- (p) **"Funds"** means the monies paid to the Proposal Trustee as defined in PART III of this Proposal;
- (q) **"Mandatory Payment"** means a payment that Next Wood is required to make in order to comply with provisions of the Act and specifically include:
  - (i) a Crown Claim payable as of the Filing Date; and
  - (ii) amounts payable to former or current employees of Next Wood to the extent such claims are required to be paid by Subsection 60(1.3) of the Act;
- (r) **"Official Receiver"** shall have the meaning ascribed thereto in the Act;
- (s) **"Post Filing Goods and Services"** means in respect of this Proposal the goods supplied, services rendered and other consideration given to Next Wood subsequent to the Filing Date;



- (t) **"Preferred Creditor"** means any Creditor whose claim has not been finally and conclusively disallowed and who is entitled to receive payment of any amount owed to it in priority to Unsecured Creditors but after Secured Creditors, as provided in section 136 of the Act;
- (u) **"Proof of Claim"** shall mean the proof of claim required by the Act to be mailed to each known Creditor prior the meeting of the Creditors;
- (v) **"Proposal"** means this Proposal made pursuant to the Act, as further amended or supplemented from time to time;
- (w) **"Proposal Trustee"** means Richter Advisory Group Inc., in its capacity as Proposal Trustee in these proceedings;
- (x) **"Proposed Transaction"** means a transaction in connection with the sale of certain, or all, of the Assets, as it may be amended or revised from time to time;
- (y) **"Proven Claim"** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (z) **"Secured Creditor"** means a person:
  - (i) who is a secured creditor under the Act;
  - (ii) holding a valid mortgage, hypothec, pledge, charge, lien chattel lease or privilege on or against the property of Next Wood or any part thereof as security for a Claim; and
  - (iii) whose Claim has not been finally and conclusively disallowed;
- (aa) **"Unsecured Creditor"** means a person:
  - (i) who is an unsecured creditor under the Act;
  - (ii) with a Claim;
  - (iii) whose Claim has not been finally and conclusively disallowed;
  - (iv) whose Claim is not contingent or unliquidated and found by the Proposal Trustee or the Court (as may be applicable) not to be provable; and
  - (v) for greater certainty shall include the unsecured portion of any Claim held by a Secured Creditor.

#### Articles of Reference

2. The terms "hereof", "hereunder" and similar expressions refer to the Proposal and not any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section,



subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

Headings

3. The division of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

Date for Action

4. In the event that any date on which any action is required to be taken hereunder is not a Business Day in the Province of Ontario, such action will be required to be taken on the next succeeding day that is a Business Day.

Accounting Principles

5. Accounting terms not otherwise defined have the meanings assigned to them in accordance with Canadian generally accepted accounting principles.

Time

6. All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

Numbers and Genders

7. In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

Currency

8. Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

Statutory References

9. Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made hereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

**Successors and Assigns**

10. The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any person named or referred to in the Proposal.

**PART II- GENERAL INTENT OF PROPOSAL**

**Effect of Proposal**

11. Next Wood seeks, by this Proposal, to settle or provide for the payment of its outstanding obligations to the Creditors in order to facilitate a restructuring of its operations, through a sale of its business and/or Assets.
12. This Proposal will, as of the Effective Date be binding, according to the terms stated herein, on Next Wood and on all Creditors.

**Secured Creditors**

13. For so long as an Event of Default has not occurred as defined herein or, having occurred has not been rectified, all agreements or other arrangements with Secured Creditors entered into before the Filing Date shall be paid in accordance with the present agreements or other arrangements between Next Wood and the Secured Creditors.

**Post Filing Goods, Services and Operations**

14. All Post Filing Goods and Services shall be paid in full in the ordinary course by Next Wood and shall not be compromised or affected hereby, other than Administrative Fees and Expenses and other amounts which are specifically required to be paid out of the Funds.

**Conditions Precedent**

15. As provided for in the Act, the arrangements and/or transactions set out in this Proposal will not take effect unless the conditions set forth below are substantially satisfied on or before the Effective Date:
  - (a) all approval and consents to this Proposal that may be required have been obtained;
  - (b) the Approval Order has been issued and the time for bringing any appeal therefrom has expired;
  - (c) the Proposed Transaction has closed; and
  - (d) Next Wood has paid the Funds to the Proposal Trustee.



### PART III – PROPOSAL FUND

#### The Funds

16. The Funds will be comprised of all of Next Wood's cash flow generated by the Company's operations (including, without limitation, proceeds from the sale of the Assets and the collection of accounts receivable) net of any amounts thereof used by the Company in the ordinary course of its business including, but not limited to, the payment of employee compensation, rent and applicable taxes.

#### Distribution of the Funds

17. After satisfaction of the Secured Creditor Claims, the Funds shall be distributed by the Proposal Trustee to the Creditors in accordance with their respective priorities under and in accordance with the Act and in the following order of priority:
  - (a) Administrative Fees and Expenses;
  - (b) Mandatory Payments;
  - (c) Preferred Creditors; and
  - (d) Unsecured Creditors.
18. Payments by the Proposal Trustee under this Proposal shall be made pursuant to PART IV herein.

### PART IV – PAYMENT OF CREDITOR CLAIMS AND OTHER ITEMS

#### Payment of Administrative Fees and Expenses

19. Administrative Fees and Expenses will be paid out of the Funds in priority to all Claims to be paid out of the Funds. The Administrative Fees and Expenses shall form a first charge on the Funds and the Assets, and shall be paid to the Proposal Trustee and through the Proposal Trustee to others entitled to such fees and expenses on the Effective Date. Fees shall be based upon time spent at standard billing rates. Disbursements and expenses will be paid in addition to the Proposal Trustee's fees as indicated above.

#### Payment of Mandatory Payments

20. Mandatory Payments not made prior to the Effective Date shall be paid in full out of the Funds immediately after the payment of Administrative Fees and Expenses and before any other Claims.

#### *Payment of Crown Claims*

21. Next Wood shall pay to Her Majesty in right of Canada and in right of Ontario all amounts of a kind which may have accrued to the Effective Date and which could be



subject to a demand under subsection 224(1.2) of the ITA or any substantially similar provision of Ontario legislation and Next Wood shall otherwise keep any other such payments current. For greater certainty, all such amounts which shall have accrued or come due as of the Effective Date are deemed to be Mandatory Payments.

22. Next Wood shall pay in full all Claims of her Majesty in right of Canada or a province of a kind that could be subject to a demand under subsection 224(1.2) of the ITA or under any substantially similar provision of provincial legislation and that were outstanding as of the Effective Date, and, for greater certainty, all such amounts shall be deemed to be Mandatory Payments.

#### Payment of Preferred Claims

23. Preferred Claims, including employee claims, without interest and after payment of Administrative Fees and Expenses, are to be paid out of the Funds in full in priority to all Claims of Unsecured Creditors.

#### Payment of Unsecured Claims

24. After payment by the Proposal Trustee of all amounts payable to prior ranking claims, the remainder of Funds shall be distributed to the Unsecured Creditors at such times, if any, as the Proposal Trustee shall determine in consultation with the Inspectors. All dividends to proven Unsecured Creditors shall be paid on a pro rata basis.

#### Proof of Claim

25. Creditors shall file only one Proof of Claim each. Only Creditors filing valid Proofs of Claim will be entitled to vote and to receive payment under this Proposal.

#### Allowance or Disallowance of Claims by the Proposal Trustee

26. Upon receipt of a completed Proof of Claim, the Proposal Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the Act. The procedure for valuing Claims of Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the Act. Next Wood and/or the Proposal Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Unsecured Creditor under the Proposal, as the case may be.

### **PART V- EFFECT OF PAYMENT**

27. By accepting this Proposal, the Creditors accept the payments provided for in this Proposal in complete satisfaction of and substitution for all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims and same will have no effect in law or in equity against the property, assets and undertaking of Next Wood.

28. Upon the (i) approval of the Proposal by the Creditors and the Court, (ii) the passing of the Effective Date, (iii) the closing of the Proposed Transaction, and (iv) the making of all payments provided for in the Proposal:
- (a) the Proposal will be considered to be completely performed by Next Wood;
  - (b) any and all claims of the Creditors in law or in equity against Next Wood, including its present and former property, assets, undertakings if any, liens, certificates of pending litigation, executions or other similar charges or actions, will be discharged, dismissed or vacated without costs; and
  - (c) any and all claims or actions of the Creditors against the directors of Next Wood that arose before the Filing Date and that relate to the obligations of the corporation where the directors are by law liable in their capacity as directors for payment of such obligations, will be discharged, dismissed or vacated, in accordance with Section 50 of the Act.

**Certificate of Full Performance**

29. Upon completion of the distribution by the Proposal Trustee of any funds provided for in the Proposal in accordance with paragraph 28 and the Act, this Proposal shall have been fully performed and the Proposal Trustee shall issue to Next Wood the certificate referred to in section 65.3 of the BIA.

**Discharge of Trustee**

30. Upon distribution by the Proposal Trustee of the Funds to the Creditors, the Proposal Trustee shall have discharged its duties as Proposal Trustee, the Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Proposal Trustee hereunder.
31. The Proposal Trustee is acting solely in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any liabilities or obligations in connection with the Proposal or in respect of the business or obligations of Next Wood and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute wilful misconduct or gross negligence.

**PART VI- EVENTS OF DEFAULT AND ANNULMENT**

**Events of Default**

32. Non-payment of the amounts required to be paid under this Proposal or the Act shall constitute an Event of Default for the purposes of Section 63 of the Act and otherwise under this Proposal.



**Annulment**

33. If this Proposal is annulled by an order of the Court, all security documents, agreements and other arrangements with Secured Creditors that existed before approval of this Proposal, will be deemed to continue in full force and effect, as if this Proposal had been rejected at the Creditors' Meeting; provided, however, that all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

**PART VII – PROPOSAL TRUSTEE**

34. Richter Advisory Group Inc. shall be the Proposal Trustee under this Proposal and the Funds shall be paid over to the Proposal Trustee who shall make the payment of all amounts payable out of the Funds in accordance with the terms of this Proposal.
35. The Proposal Trustee shall have all the rights and powers accorded under the Act, as they may be applicable, including, but not limited to, the power to disallow Claims.
36. Richter Advisory Group Inc. is acting solely in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of Richter Advisory Group Inc. shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of Next Wood.
37. Any payments made by the Proposal Trustee to Creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

**PART VIII – MEETING OF CREDITORS**

**Creditors' Meeting**

38. On the Creditors' Meeting Date, Next Wood shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon this Proposal.

**Time and Place of Creditors' Meeting**

39. Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Proposal Trustee, and confirmed in its notice of meeting to be mailed pursuant to the Act.

**Conduct of Creditors' Meeting**

40. The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of Next Wood, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, and such scrutineers as may be duly





appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

Adjournment of Meetings

41. The Creditors' Meeting may be adjourned in accordance with Section 52 of the Act.

Voting by Creditors

42. To the extent provided herein, each Creditor will be entitled to vote to the extent of the amount that is equal to the Creditor's Claim.

Approval of Creditors

43. In order for the Proposal to be binding on all of the Creditors of Next Wood in accordance with the BIA, it must be accepted by a majority in number, representing two-thirds in value of the Creditors who actually vote on the Proposal (in person, by proxy or by voting letter).

**PART IX - INSPECTORS**

44. At the Creditors' Meeting held to consider this Proposal, the Unsecured Creditors will be entitled to appoint one or more, but not exceeding five (5) inspectors in total. The inspectors will have the following powers, but shall have no personal liability to Next Wood or to other Creditors:
- (a) the power to extend the dates of payments provided under this Proposal;
  - (b) the power to waive any default in the performance of any provision of this Proposal;
  - (c) advising the Proposal Trustee in respect of such matters as the Proposal Trustee may refer to the Inspectors, if any; and
  - (d) advising the Proposal Trustee concerning any dispute that may arise as to the validity of Claims of Creditors under this Proposal including the settlement of same.

**PART X - MISCELLANEOUS**

Modifications of Proposal

45. Next Wood, with the consent of the Proposal Trustee, may propose an alteration or modification to the Proposal prior to the conclusion of the Creditors' Meeting called to consider the Proposal.



**Non Severability**

46. It is intended that all provisions of this Proposal shall be fully binding on and effective between all persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

**Applicable Law**

47. This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

**Binding Effect**

48. The provisions of this Proposal will be binding on the Creditors of Next Wood, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.

*[Signature page follows]*

A handwritten signature in black ink, consisting of a stylized, cursive script, located in the bottom right corner of the page.

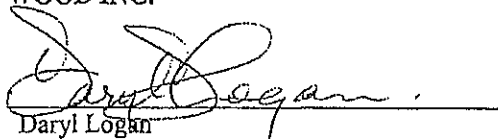
Dated at Vaughan this 14<sup>th</sup> day of May, 2014.

NEXT WOOD INC.

Per:

Name: Daryl Logan

Title: President

A handwritten signature in cursive script, appearing to read "Daryl Logan", is written over a horizontal line. The signature is positioned to the right of the printed name and title.

## **APPENDIX “D”**

# RICHTER

CANADA  
Province of Ontario  
District of Ontario  
Division No.: 09-Toronto  
Court No.: 31-1859688  
Estate No.: 31-1859688

SUPERIOR COURT OF JUSTICE  
Commercial List  
*Bankruptcy and Insolvency Act*

**Notice of Proposal to Creditors**  
(Section 51 of the Act)

**In the Matter of the Proposal of  
Next Wood Inc.  
Of the City of Vaughan  
In the Province of Ontario**

Take notice that Next Wood Inc. Of the City of Vaughan In the Province of Ontario has lodged with us a proposal under the Bankruptcy and Insolvency Act.

A copy of the proposal, a condensed statement of the debtor's assets and liabilities and a list of the creditors affected by the proposal and whose claims amount to \$250 or more are enclosed herewith.

A general meeting of the creditors will be held at the office of Thornton Grout Finnigan LLP, Toronto-Dominion Centre, 3200-100 Wellington Street W., Toronto ON M5K 1K7 on June 4, 2014 at 10:00 AM.

The creditors or any class of creditors qualified to vote at the meeting may by resolution accept the proposal either as made or as altered or modified at the meeting. If so accepted and if approved by the court the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with us prior to the commencement of the meeting.

Dated at Toronto In the Province of Ontario, May 23, 2014.

Richter Advisory Group Inc.  
Trustee acting *in re* the proposal of  
Next Wood Inc.



Paul van Eyk, CPA, CA-IFA, CIRP

T. 416.488.2345  
F. 514.934.8603  
claims@richter.ca

Richter Advisory Group Inc.  
181 Bay Street, 33<sup>rd</sup> Floor  
Toronto, ON M5J 2T3  
[www.richter.ca](http://www.richter.ca)

Montréal, Toronto



## **APPENDIX “E”**

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-1859688  
 Estate No. 31-1859688

Original  Amended

-- Form 78 --  
 Statement of Affairs (Business Proposal) made by an entity  
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)

In the Matter of the Proposal of  
 Next Wood Inc.  
 Of the City of Vaughan  
 in the Province of Ontario

To the debtor:

You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 14th day of April 2014. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	ASSETS (as stated and estimated by the officer)
1. Unsecured creditors as per list "A" .....	1. Inventory .....
1,062,800.50	200,000.00
Balance of secured claims as per list "B" .....	2. Trade fixtures, etc. ....
0.00	0.00
Total unsecured creditors .....	3. Accounts receivable and other receivables, as per list "E"
1,062,800.50	Good .....
2. Secured creditors as per list "B" .....	2,000,000.00
1,406,000.00	Doubtful .....
3. Preferred creditors as per list "C" .....	600,000.00
0.00	Bad .....
4. Contingent, trust claims or other liabilities as per list "D"	0.00
estimated to be reclaimable for .....	Estimated to produce .....
0.00	1,400,000.00
Total liabilities .....	4. Bills of exchange, promissory note, etc., as per list "F" .....
2,468,800.50	0.00
Surplus .....	5. Deposits in financial institutions .....
NIL	0.00
	6. Cash .....
	0.00
	7. Livestock .....
	0.00
	8. Machinery, equipment and plant .....
	200,000.00
	9. Real property or immovable as per list "G" .....
	0.00
	10. Furniture .....
	0.00
	11. RRSPs, RRRIFs, life insurance, etc. ....
	0.00
	12. Securities (shares, bonds, debentures, etc.) .....
	0.00
	13. Interests under wills .....
	0.00
	14. Vehicles .....
	0.00
	15. Other property, as per list "H" .....
	0.00
	If debtor is a corporation, add:
	Amount of subscribed capital .....
	457,275.00
	Amount paid on capital .....
	457,275.00
	Balance subscribed and unpaid .....
	0.00
	Estimated to produce .....
	0.00
	Total assets .....
	1,800,000.00
	Deficiency .....
	668,800.50

I, Daryl Logan, of the City of Mulmer in the Province of Ontario, do swear (or solemnly declare) that this statement and the attached lists are to the best of my knowledge, a full, true and complete statement of my affairs on the 14th day of April 2014 and fully disclose all property of every description that is in my possession or that may devolve on me in accordance with the Act.

SWORN (or SOLEMNLY DECLARED)

before me at the City of Toronto in the Province of Ontario, on this 14th day of May 2014.

Commissioner of Oaths For the Province of Ontario

Expires

*Christine Carter-Lawyer*

*Daryl Logan*  
 Daryl Logan

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-1859688  
 Estate No. 31-1859688

FORM 78 -- Continued


List "A"  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
1	1604344 ONTARIO INC.	130 PALACE STREET WHITBY ON L1N 5E8	8,472.02	0.00	8,472.02
2	407 EXPRESS TOLL ROUTE	P.O. BOX 407 STATION "D" SCARBOROUGH ON M1R 5J8	9.51	0.00	9.51
3	ACCORD FINANCIAL INC, RE: IMPEKK	3500 DE MAISONNEUVE BLVD,W MONTREAL QC H3Z 3C1	10,012.93	0.00	10,012.93
4	ACCORD FINANCIAL INC.	3500 DE MAISONNEUVE BLVD W MONTREAL QC H3Z 3C1	2,562.84	0.00	2,562.84
5	ACTION PAPER & PACKAGING C	100 COMMANDER BLVD, SCARBOROUGH ON M1S 3H7	3,056.94	0.00	3,056.94
6	ADGIT HOLDINGS LIMITED	460 BOWES ROAD UNIT 1-4 CONCORD ON L4K 1K3	0.00	0.00	0.00
7	ADHECO LTD.	10390 TAPSCOTT RD, SCARBOROUGH ON M1B 2Y9	8,480.39	0.00	8,480.39
8	AERO PLASTICS LTD.	3-91 CITATION DRIVE CONCORD ON L4K 2Y8	44,911.83	0.00	44,911.83
9	AIR LIQUIDE CANADA INC.	1700 STEELES AVE EAST BRAMALEA ON L6T 1A6	1,205.36	0.00	1,205.36
10	ALDWIN WITZER	1577 LAWRENCE AVE. W TORONTO ON M6Z 1C4	0.00	0.00	0.00
11	ALPA LUMBER MILLS INC.	13130 DUFFERIN ST. KING CITY ON L7B 1K5	6,057.58	0.00	6,057.58
12	ALVAREZ & ASSOCIATES	615 STONEMAN DRIVE SAN ANTONIO TX 78258 USA	0.00	0.00	0.00
13	ANN SULLIVAN * V83598	114 SAND CREEK RD, APT 2 ALBANY NY 12205 USA	0.00	0.00	0.00
14	ANNE MARIE LACE	46 INGELWOOD CRESCENT DARTMOUTH NS B2W 5W3	43.80	0.00	43.80
15	ANTONELLA ITALIANO	83 KNOLL HAVEN CIRCLE BOLTON ON L7E 2V1	0.00	0.00	0.00
16	ART METZ CONTRACT INTERIOR	400-123 BANNATYNE AVE E, WINNIPEG MB R3B 0R3	3,012.57	0.00	3,012.57
17	AXELL MARKETING GROUP 04178	246 DAVLISH AVE TORONTO ON M4V 1J3	0.00	0.00	0.00
18	B&B PAPER PLUS LTD	2935 LOVETT ROAD COLDBROOK NS B4R 1A8	6,653.46	0.00	6,653.46
19	BELL CANADA	P.O. BOX 8000 STN DON MILLS NORTH YORK ON M3C 2X7	936.17	0.00	936.17
20	BENEPLAT INC	500-150 FERRAND DRIVE TORONTO ON M3C 3E5	17,777.84	0.00	17,777.84
21	BIBIANA GARCIA	15 HURON COURT AURORA ON L4G 2X7	0.00	0.00	0.00
22	BIESSE CANADA INC.	18005 RUE LAPINTE MIRABEL QC J7J 0G2	1,152.13	0.00	1,152.13
23	BILL MILTON & ASSOCIATES *	2513 CHANDABROOK CIRCLE PELHAM AL 35124 USA	64.02	0.00	64.02
24	BLESSING ASSOCIATES *	56 BUTTONWOOD ST. NORRISTOWN PA 19401 USA	65.46	0.00	65.46

14-May-2014

Date

  
 Daryl Logan



District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-1859688  
 Estate No. 31-1859688

FORM 76 -- Continued

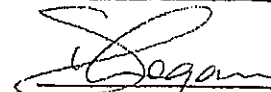
List "A"  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
25	BOLTS PLUS	8201 KEELE STREET CONCORD ON L4K 1Z4	96.24	0.00	96.24
26	BOTHWELL STEEL	133 GROHAVE CAMBRIDGE ON N3C 4B1	9,735.68	0.00	9,735.66
27	BRASSARDBURO FOURN. ET ENV.	1379, RUE DES CHAMPS-ELYSE CHICOUTIMI QC G7H 6J2	6,390.78	0.00	6,390.78
28	BRIAN HO-MIN KANG	41 DONNAMORA CRES TORONTO ON L3T 4K6	0.00	0.00	0.00
29	BRITE-CON SALES INC.	8-801 EDGELEY BLVD. CONCORD ON L4K 4G2	2,106.78	0.00	2,106.78
30	BRUNO CARANCI	18 CASSIA CRESCENT MAPLE ON L6A 3N4	0.00	0.00	0.00
31	CAMERON ASSOCIATES	14 BANK STREET RUSSELL ON K4R 1A9	5,419.34	0.00	5,419.34
32	CANADA POST CORPORATION	ACCOUNTS MANAGEMENT GROUP E0880A-2701 RIVERSIDE DR OTTAWA ON K1A 1L7	518.05	0.00	518.05
33	CANADIAN BEARINGS LTD	1600 DREW ROAD MISSISSAUGA ON L6S 1S5	133.34	0.00	133.34
34	CANMADE	280 APPLEWOOD CRES., UNIT CONCORD ON L4K 4B4	16,829.46	0.00	16,829.46
35	CANSTAFF EMPLOYMENT AGENCY	2-20 NUGGET AVENUE SCARBOROUGH ON M1S 3B1	17,070.95	0.00	17,070.95
36	CAPITAL OFFICE INTERIORS L	16 ANTARES DRIVE NEPEAN ON K2E 7Y7	945.30	0.00	945.30
37	CAPSTONE OFFICE SOLUTIONS *	1820 UNIVERSITY BLVD TUSCALOOSA AL 35407 USA	300.10	0.00	300.10
38	CARDINAL FASTENERS	120 VENTURE DRIVE SCARBOROUGH ON M1B 3L6	1,393.29	0.00	1,393.29
39	CARL V BANK * V83708	5371 PARTNERS COURT FREDERICK MD 21703	0.00	0.00	0.00
40	CARTERS	211 BROADWAY P O BOX 440 ORANGEVILLE ON L9W 1K4	0.00	0.00	0.00
41	CCT CANADA	6900 TRANMERE DRIVE MISSISSAUGA ON L6S 1L9	11,047.67	0.00	11,047.67
42	CECILIA PADILLA	8 JENSEN CRT MAPLE ON L6A 2T6	0.00	0.00	0.00
43	CHARLES KWAI PUN	17 REITH WAY THORNHILL ON L3T 5C6	0.00	0.00	0.00
44	CHEP CANADA INC.	C/O TH1203C PO BOX 4290, STN A TORONTO ON M5W 0E1	543.50	0.00	543.50
45	CINDY BLACKBURN	56 NOVA TERRACE DARTMOUTH NS B2V 1A9	35.63	0.00	35.63
46	COHEN & COHEN	92 BENTLEY AVE. OTTAWA ON K2E 6Y9	1,498.42	0.00	1,498.42
47	COMMONWEALTH PLYWOOD LTD	25 DANSK COURT REXDALE ON M9W 5N8	120,064.09	0.00	120,064.09

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Date

  
 Paryl Logan

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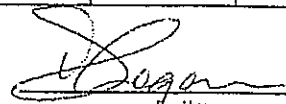
List "A"  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
48	COMMPORT COMMUNICATIONS IN	5 SCANLON CTR. AURORA ON L4G 7B2	95.75	0.00	95.75
49	COMTRAD	5106 TIMBERLEA BLVD MISSISSAUGA ON L4W 2S5	1,080.28	0.00	1,080.28
50	COPA	402-2800 SKYMARK AVENUE MISSISSAUGA ON L4W 5A6	1,604.60	0.00	1,604.60
51	COPA V84292	300-2595 SKYMARK AVE. MISSISSAUGA ON L4W 5L6	0.00	0.00	0.00
52	CORPORATE EXPRESS CANADA I	PO BOX 2050, CRO HALIFAX NS B3J2Z1	1,659.99	0.00	1,659.99
53	COVERALL OF CANADA	2888 SHEPPARD AVE.E TORONTO ON M1T 3J5	993.27	0.00	993.27
54	CROMAC CHEMICAL LTD.	80 SUMMERLEA ROAD BRAMPTON ON L6T 4X3	1,274.08	0.00	1,274.08
55	DATA ACCESS TECHNOLOGIES	17705B LESLIE STREET NEWMARKET ON L3Y 3E3	209.05	0.00	209.05
56	DAVID HUNTER	76 GATES AVENUE TORONTO, ON M4C 1T3	0.00	0.00	0.00
57	DAY & ROSS INC.	398 MAIN STREET HARTLAND NB E7P 1C8	946.12	0.00	946.12
58	DE LAGE LANDEN FINANCIAL S	1-3450 SUPERIOR COURT OAKVILLE ON L6L 6C4	1,433.69	0.00	1,433.69
59	DJR ASSOCIATES '	530 PINE STREET, SUITE D ROCHESTER MI 48307 USA	237.63	0.00	237.63
60	DMP FURNITURE MARKETING	41 KALI LANE ELMSDALE NS B2S 1A1	14,630.07	0.00	14,630.07
61	DOCUMENT MANAGEMENT SOLUTI	47-125 TRADERS BLVD. EAST MISSISSAUGA ON L4Z 2H3	511.31	0.00	511.31
62	DODDS, ALEXANDER	3000 WALKENT DRIVE, N.W. Grand RAPIDS MI 49544	0.00	0.00	0.00
63	DURA EDGE INC.	230 CLARENCE STREET BRAMPTON ON L6W 1T4	1,714.06	0.00	1,714.06
64	EISAMAN CONTRACT ASSOCIATE	FORT PITT COMMONS 711 HARRISON AVENUE JEANETTE PA 16644 USA	0.00	0.00	0.00
65	ENBRIDGE CONSUMERS GAS	ACCT#910006577633 PO BOX 644 SCARBOROUGH ON M1K 5H1	5,284.49	0.00	5,284.49
66	ENBRIDGE CONSUMERS GAS	ACCT#91007149355 P.O. BOX 844, SCARBOROUGH ON M1K 6H1	4,954.40	0.00	4,954.40
67	EXTRUDE-A-TRIM	360 CARLINGVIEW DRIVE TORONTO ON M9W 5X0	406.18	0.00	406.18
68	F.S.TOOL CORPORATION	71 HOBBS GATE MARKHAM ON L3R 9T9	1,239.22	0.00	1,239.22
69	F.T.N. LAMINATING (1987) L	2331 ANSON DRIVE MISSISSAUGA ON L5S 1G1	1,894.40	0.00	1,894.40
70	FEDERAL EXPRESS CANADA LTD	P.O.BOX 4626 TORONTO STN A TORONTO ON M5W 5B4	67.67	0.00	67.67

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List "A"  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
71	FEDEX FREIGHT	C/O T23222 PO BOX 4232, STATION A TORONTO ON M5W 5P4	115.66	0.00	115.66
72	FIELD OF GREENS GROUNDSKEE	4-117 PLANCHET RD. CONCORD ON L4K 2C6	960.50	0.00	960.50
73	FRITZ SHAND	160 CHALKFAM DRIVE #1502 TORONTO ON M3L 2J1	0.00	0.00	0.00
74	G&T BUREAU SPEC	33 GREENBELT DRIVE TORONTO ON M3C 1M1	68,286.52	0.00	68,286.52
75	GARFIELD'S COURIER	26 FANDOR WAY BRAMPTON ON L7A 2G6	244.08	0.00	244.08
76	GARY BROWN	45 BURLINGTON AVENUE MONCTON NB E1E 1Y8	296.42	0.00	296.42
77	GERRITY CORRUGATED PAPER P	75 DONEY CRESCENT, CONCORD ON L4K 1P6	881.45	0.00	881.45
78	GERRY SCHNUR	30 CAROUSEL CRES RICHMOND HILL ON L4E 3K7	0.00	0.00	0.00
79	GLOBAL FREIGHT SERVICES	265-92 CAPLAN AVENUE BARRIE ON L4N 0Z7	10,360.35	0.00	10,360.35
80	GLOBAL FREIGHT SERVICES *	265-92 CAPLAN AVENUE BARRIE ON L4N 0Z7	1,370.00	0.00	1,370.00
81	GLOBAL TRADE CREDIT INSURANCE INC. Attn: STEPHEN ROSEN	30-70 EAST BEAVER CREEK ROAD RICHMOND HILL ON L4B 3B2	0.00	0.00	0.00
82	GLDRE STAMPING COMPANY LTD	P.O. BOX 874, 161 TRILLIUM DRIVE KITCHENER ON N2G 4C5	2,777.34	0.00	2,777.34
83	GOODFELLOW INC	PO BOX 460, 9184 TWISS ROAD CAMPBELLVILLE ON L0P 1B0	0.00	0.00	0.00
84	H.B. ETLIN CO. LTD.	1850 WILSON AVE WESTON ON M9M 1A1	456.34	0.00	456.34
85	HAFELE CANADA INC.	5323 JOHN LUCAS DRIVE BURLINGTON ON L7L 6A8	1,727.12	0.00	1,727.12
86	HALANE ABDULLAH	275 ALBION RD UNIT#501 ETOBICOKE ON M9W 3P1	0.00	0.00	0.00
87	HALLTECH INC.	466 CORONATION DRIVE TORONTO ON M1E 2K2	632.80	0.00	632.80
88	HARINDER BUTTAR	25 GASPE ROAD BRAMPTON ON L6S 0A6	0.00	0.00	0.00
89	HOLD-TITE FASTENERS LTD.	100 VILLARBOIT CRES. CONCORD ON L4K 4K2	13,941.76	0.00	13,941.76
90	HOLZ-HER CANADA INC.	4345 AUTOROUTE DES LAURENT LAVAL QC H7L 5W5	633.92	0.00	633.92
91	HOMAG CANADA INC.	5090 EDWARDS BLVD. MISSISSAUGA ON L5T 2W3	96.28	0.00	96.28
92	HONG SAM	1715- 6900 YONGE ST. TORONTO ON M2H 3W1	0.00	0.00	0.00
93	HOPETON G WRIGHT	61 RABBIT LANE ETOBICOK ON M9B 6S8	0.00	0.00	0.00
94	IBM CANADA LIMITED	PO BOX 6100, STATION F TORONTO ON M4Y 2T6	339.00	0.00	339.00

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Let "A"  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
95	INFOCUS COR. ENVIRONMENT	8181 WILBERFORCE ST BURNABY BC V3N 4C7	7,857.33	0.00	7,857.33
96	INTERIOR OPTIONS GROUP INC	66 NAPA RIDGE ALLISTON ON L9R 2E4	6,018.83	0.00	6,018.83
97	INTERIOR SPACES INC. *	208 HELEN DRIVE CINNAMINSON NJ 08077 USA	175.81	0.00	175.81
98	JAMES YARISON	125 STAFFORD RD APT #201 TORONTO ON M2R 1V5	0.00	0.00	0.00
99	JASON ALTIMARI	46 WORTHINGTON AVE RICHMOND HILL ON L4E 2R8	0.00	0.00	0.00
100	JASON WILSON GREEN	6 EDWIN FORD CRT BEDFORD NS B3T 2B1	113.60	0.00	113.60
101	JAYANT B DESHPANDE	18 WEST HUMBER BLVD ETOBICOKE ON M9W 3M4	0.00	0.00	0.00
102	JENFAB METAL FABRICATION LIMITED	31 CASMIR COURT CONCORD ON L4K4H6	17,817.06	0.00	17,817.06
103	JESSIE PUNZAL	108 AYLESWORTH AVE SCARBOROUGH ON MIN 2J6	0.00	0.00	0.00
104	JOE ESKRUDGE *	2513 WINDSOR AVENUE OWENSBORO KY 42301 USA	375.00	0.00	375.00
105	JOHN BRIDN & ASSOCIATES *	881 SUNDROP WAY HIGHLANDS RANCH CO 80126 USA	3.26	0.00	3.26
106	JOHN CLINGEN *	135 FAWNWOOD DRIVE BRANDON MS 39042 USA	503.64	0.00	503.64
107	JOHN D SCHMUCKEL *	732 COUNTRY CLUB DRIVE ST. CLAIRSHORES MI 48082	0.00	0.00	0.00
108	JOSH HILDRETH *	1801 ROBERT FULTON DR. #346 RESTON VA 20191	0.00	0.00	0.00
109	JOSHUA DAFT *	117 S. COLLINGTON AVE BALTIMORE MD 21231	0.00	0.00	0.00
110	JOWAT CANADA LTD.	PO BOX 148 MISSISSAUGA ON L5M 2B7	1,582.00	0.00	1,582.00
111	JUDSON BUCHANAN *	5607 2ND STREET SOUTH ARLINGTON VA 22204	0.00	0.00	0.00
112	JULIANA LEPOUTRE CON	695 FAIRWAY DRIVE ROCKLAND ON K4K 1H4	0.00	0.00	0.00
113	KIM HANBYEOL	#711 7 NORTH PARK RD. THORNHILL ON L4J 0C8	0.00	0.00	0.00
114	KIM SUNG SOO	34 ANNAPEARL COURT APT #6 NORTH YORK ON M2N 4H5	0.00	0.00	0.00
115	KIMBERLY A COLEMAN *	9718 RED CLOVER CT. BALTIMORE MD 21234	0.00	0.00	0.00
116	KLM WOODWORKING MACHINERY	209 TOWNSEND AVE. BURLINGTON ON L7T 1Z5	2,237.40	0.00	2,237.40
117	KNAPE & VOGT MANUFACTURING	C/O T56335C, P.O. BOX 56385, STN A TORONTO ON M5W 4L1	6,689.10	0.00	6,689.10
118	KRISTEN MARTIGNETTI *	517 OVERBROCK RD BALTIMORE MD 21212	0.00	0.00	0.00

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Liaison  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
119	LARRY BROWN * V#84206	11610 ATTALA RD, 3122 VAUDEN MS 39176	0.00	0.00	0.00
120	LAWRENCE INT. GROUP *	1940 VIEW CREST DRIVE RENO NV 08511 USA	169.87	0.00	169.87
121	LEE CHANGDOO	77 SENECA HILL DR. TORONTO ON M2J 2W3	0.00	0.00	0.00
122	LIESCH OFFICE INTERIORS	#106 250A GOVERNMENT ST VICTORIA BC V8P 4P7	865.79	0.00	865.79
123	LINDELL BROWN	1204 OSSINGTON AVE TORONTO ON M6G 3W1	0.00	0.00	0.00
124	LISA S LEE	4 SILVER CREEK CRES BARRIE ON L4N 0Z9	0.00	0.00	0.00
125	LIVINGSTON INTERNATIONAL INC. *	P.O. BOX 70 FORT ERIE ON L2A 5M6	185.65	0.00	185.65
126	LOWE'S BUSINESS ACCOUNT	PO BOX 4283 STN A TORONTO ON M3W 5X6	31.59	0.00	31.59
127	MAGENA OFFICE INTERIORS LT	1568 RAND AVENUE VANCOUVER BC V6P 3G2	2,469.06	0.00	2,469.06
128	MARATHON FASTENERS & HARDW	4170 SLADEVIEW CRESCENT MISSISSAUGA ON L5L 0A1	225.79	0.00	225.79
129	MARILEE ORSER-RICHARDSON	1154 CLOVERDALE ST OSHAWA ON L1H 4E4	0.00	0.00	0.00
130	MARITIME-ONTARIO FREIGHT L	1 MARITIME-ONTARIO BLVD. BRAMPTON ON L6S 6B4	6,383.95	0.00	6,383.95
131	MARK W HOLMES	202483 COUNTY ROAD 109 GRAND VALLEY ON L9W 0R1	0.00	0.00	0.00
132	MARK W MOONEY * V77705&V80972	705 MORRIS AVE LUTHERVILLE MD 21093	0.00	0.00	0.00
133	MARKANDU MODCHALINGAM	5 SAN ROMANO WAY #1514 NORTH YORK ON M3N 2Y4	0.00	0.00	0.00
134	MARLENE MCGOWAN	6 GLEN HOLLOW AVE ETOBICOKE ON M9W 6C6	0.00	0.00	0.00
135	MCFAODEN'S	2164 BUCKINGHAM ROAD OAKVILLE ON L6H 6M7	0.00	0.00	0.00
136	MCKINNON METALS	330 MILLWAY DRIVE, UNITS 6 & 7 CONCORD ON L4K 3W2	0.00	0.00	0.00
137	MERX	P O BOX 11684, STN CENTRE-VILLE MONTREAL QC H3C 6H4	0.00	0.00	0.00
138	MICHAEL A GREENHOW	34 LILLY MCKEOWAN CRES MOUNT ALBERT ON L0G 1M0	0.00	0.00	0.00
139	MICHAEL S HALL * V#82000,82498,83122	564 MAIN STREET ONEIDA NY 13421	0.00	0.00	0.00
140	MILLENNIUM OFFICE FURNISHI	981 CENTURY STREET WINNIPEG MB R3H 0W4	8,551.05	0.00	8,551.05
141	MMA INC. *	445 NANTUCKET DRIVE ST. CHARLES MO 63301 USA	37.36	0.00	37.36
142	MODERN FORK LIFT SERVICE L	630 GARYRAY DRIVE WESTON ON M9L 1R1	908.66	0.00	908.66

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List "A"  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
143	MODULAR SYSTEMS INC. *	169 WEST PARK ST. FRUITPORT MI 49415 USA	2,122.56	0.00	2,122.56
144	MTS ALLSTREAM	PO BOX 3500 STN MAIN WINNIPEG MB R3C 0B7	564.50	0.00	564.50
145	MYLES LOWE	182 SOUTHAMPTON DRIVE DARTMOUTH NS B2V 2V0	246.12	0.00	246.12
146	NAGARAJAH RAJKUMAR	77 AMETHYST CIR. BRAMPTON ON L6P 0Z7	0.00	0.00	0.00
147	NANCY EBKRIDGE *	2513 WINDSOR AVENUE OWENSBORO KY 42301 USA	183.99	0.00	183.99
148	NELA TURALIJA	4671 DRAKESTONE CRES MISSISSAUGA ON L5R 1K7	0.00	0.00	0.00
149	NEOPOST CANADA LIMITED	150 STEELCASE ROAD W MARKHAM ON L3R 3J0	655.77	0.00	655.77
150	NEOS GORDONPLY	DIV. OF RICHELIEU 272 KING STREET BARRIE ON L4N 6L2	0.00	0.00	0.00
151	NESS SECURITY INC.	PO BOX 3009 1730 BUR OAK AVE., BLDG G MARKHAM ON L5E 0J1	288.16	0.00	288.16
152	NICHOLSON CATES LIMITED	BOX 219 BURLINGTON ON L7R 3Y2	8,856.65	0.00	8,856.65
153	NIPPON EXPRESS CANADA LTD.	8250 EDWARDS BLVD MISSISSAUGA ON L5T 2K3	1,746.98	0.00	1,746.98
154	NITRO INDUSTRIAL SALES	8520 JANE ST, UNITS 7-9 CONCORD ON L4K 5A9	0.00	0.00	0.00
155	NOKI OFFICE SOLUTIONS INC.	28 SUNWOOD COURT S.W. MEDICINE HAT AB T1B 4Y5	1,154.13	0.00	1,154.13
156	NORTOWN AIR	26 DENSLEY AVENUE TORONTO ON M6M 2R1	880.27	0.00	880.27
157	OCTOPUS PRODUCTS LTD.	23 GURNEY CRESCENT TORONTO ON M6B 1S9	1,690.48	0.00	1,690.48
158	OE BUSINESS IMAGING	1730 BISHOP STREET B1 CAMBRIDGE ON N1T 1N4	705.61	0.00	705.61
159	OFFICE CENTRAL	499 MARKLAND STREET BLDG MARKHAM ON L6C 1Z6	944.64	0.00	944.64
160	OFFICE INTERIORS	711 WOODSTOCK ROAD FREDICTON NB E3B 5Y5	35,033.49	0.00	35,033.49
161	OMARNATH POLLARD	15-443 MANSE RD SCARBOROUGH ON M1E 3V7	0.00	0.00	0.00
162	ONKAR MANBAHAL	10 WILLOWRIDGE ROAD #918 TORONTO ON M6R 3Y8	0.00	0.00	0.00
163	ORKIN CANADA	6840 FALBOURNE STREET MISSISSAUGA ON L6R 4B5	452.00	0.00	452.00
164	P.K. PROFESSIONAL CARRIER	11608 149 STREET NW EDMONTON AB T5M 3R3	37,492.95	0.00	37,492.95
165	PAUL TOKIWA CARTAGE LIMITE	7699 KIMBEL STREET MISSISSAUGA ON L5S 1A7	66.26	0.00	66.26

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 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
166	PAUL WINSTON ROCHESTER	172 OAKWOOD AVE TORONTO ON M6E 2T9	0.00	0.00	0.00
167	PAULA J CHANG	22 TEDDINGTON AVE MARKHAM ON L3R 0X1	0.00	0.00	0.00
168	PAULA SPADAFORA	68 MILLIGAN ST BRADFORD ON L3Z 0A5	0.00	0.00	0.00
169	PIONEER COMPUTER CORPORATION *	500-50740 PRINCESS WAY GRANGER IN 46530 USA	9,206.00	0.00	9,206.00
170	PLAYFAIR COFFEE DISTRIBUTI	7-1625 STEELES AVE.E BRAMPTON ON L6T 4T7	151.00	0.00	151.00
171	POI BUSINESS INTERIORS	120 VALLEYWOOD DRIVE MARKHAM ON L3R 6A7	4,980.94	0.00	4,980.94
172	POWDER COATERS INC.	6777 STEELES AVENUE WEST NORTH YORK ON MBL 2W3	8,258.20	0.00	8,258.20
173	POWER PLANT AGENCIES LTD.	5 RICHARD JOHN DRIVE, RR#2 MOUNT UNIACKE NS B0N 1Z0	0.00	0.00	0.00
174	POWER STREAM INC	P.O. BOX 3700 CONCORD ON L4K 5N2	22,651.55	0.00	22,651.55
175	PREMIER MARKINGS	0-1011 HAULTAIN COURT MISSISSAUGA ON L4W 1W1	995.53	0.00	995.53
176	PRIME-TECH ELECTRIC	685 MILLWAY AVE., UNIT6 CONCORD ON L4K 3T8	418.10	0.00	418.10
177	PRIMUS CANADA	P.O. BOX 4682 POSTAL STATION A TORONTO ON M5W 5H4	419.92	0.00	419.92
178	PURULATOR COURIER LTD	P.O. BOX 1100, ETOBICOKE POSTAL STN A ETOBICOKE ON M9C 5K2	1,670.48	0.00	1,670.48
179	QUEENSWAY PLASTICS LTD.	624 NEAL DRIVE PETERBOROUGH ON K9J 6X7	183.91	0.00	183.91
180	QUEFER INC.	153 RUE ST-PIERRE ST-PIE QC J0H 1W0	2,835.74	0.00	2,835.74
181	RAJESH MAHABIR	406 FERNFORD DRIVE BRAMPTON ON L6R 2P5	0.00	0.00	0.00
182	RAMRAJ SEENATH	114 GAVLA ST. THORNHILL ON L4J 6G8	0.00	0.00	0.00
183	RAY EQUIP	50 TOPPER COURT, WOODBRIDGE ON L4L 8H6	271.20	0.00	271.20
184	RAYMOND BOUCHER	607-7275 RUE DE BEAUFORT ANJOU QC H1M 3X5	7,113.57	0.00	7,113.57
185	REAP AIR COMPRESSOR	513 SPEERS RD. CAKVILLE ON L4K 2G4	2,825.00	0.00	2,825.00
186	RICHELIEU HARDWARE LTD	7900 HENRI BOURASSA WEST ST-LAURENT QC H4S 1V4	25,695.08	0.00	25,695.08
187	ROGELIA SEVILLA	89 PECKHAM AVENUE WILLOWDALE ON M2R 2V4	0.00	0.00	0.00
188	ROGER A BROWN LTD	18 PARK MEADOWS RD. WINNIPEG MB R3K 1B9	2,655.85	0.00	2,655.85
189	RON SEGUIN	7654 SETTLERS WAY NORTH GOWER ON K0A 2T0	13.65	0.00	13.65

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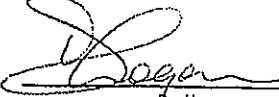
List "A"  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
190	ROYAL CONTAINERS LTD.,	80 MIDAIR COURT BRAMPTON ON L6T 5V1	28,953.94	0.00	28,953.94
191	ROYCE-AYR CUTTING TOOLS IN	405 SHELDON DRIVE CAMBRIDGE ON N1T 2B7	2,314.88	0.00	2,314.88
192	SALTEX INC.	2-49 RIVALDA ROAD NORTH YORK ON M0M 2M4	940.73	0.00	940.73
193	SAMUEL GRANT	48 RUSHMORE CRES BRAMPTON ON L6Z 1R2	0.00	0.00	0.00
194	SANDRA BATTEN	9 ACORN COURT MONCTON NB E1G 4X9	749.47	0.00	749.47
195	SANDRA HACHEY	15 ROTHSAY CT. LE SACKVILLE NS B4C 3W7	16.31	0.00	16.31
196	SEALED AIR (CANADA) CO./CI	PO BOX 15408 STATION A TORONTO ON M5W 1C1	4,725.19	0.00	4,725.19
197	SENSYST BUSINESS INT.	14-6355 KENNEDY ROAD MISSISSAUGA ON L5T 2L5	27,032.91	0.00	27,032.91
198	SERVICE ONTARIO	PO BOX 9100 KINGSTON ON K7L 5K3	0.00	0.00	0.00
199	SEYALGARAJATHURAI NADAR	25 FOURS WINDS DR. APT405 NORTH YORK ON M3J 1K8	0.00	0.00	0.00
200	SHAIKH SAJID	2000 SHEPPARD AVE. W #210 NORTH YORK ON M3N 1A2	0.00	0.00	0.00
201	SHAMEER ROHOMAN	5 SAN ROMANOWAY #1503 DOWNSVIEW ON M3N 2Y4	0.00	0.00	0.00
202	SHARAZ RAMJOHN	30 ZEBRA TRAIL BRAMPTON ON L6R 2J3	0.00	0.00	0.00
203	SHARON CONDRAN	293 TARANAKI DRIVE DARTMOUTH NS B2W 4Y9	21.92	0.00	21.92
204	SHAWN LEAN	711 WOODSTOCK ROAD FREDERICTON NB E3B 5N6	3,819.14	0.00	3,819.14
205	SINGH DEEN SOOKLAL	32 CARLUKE CRES NORTH YORK ON M2L 2J3	0.00	0.00	0.00
206	SIRJU RALPH	12 MARINE APPROACH DR. TORONTO ON M1C 5G5	0.00	0.00	0.00
207	SMARTPRINT INC.	44 UPJOHN ROAD TORONTO ON M3B 2W1	294.89	0.00	294.89
208	SOURCE BROKER INC	1102 - 1237 NORTH SHORE BLVD, E. BURLINGTON ON L7S 2H8	0.00	0.00	0.00
209	STEVEN ROBERT STEDMAN *	1628 MULBERRY JACKSON MO 63755	0.00	0.00	0.00
210	SUNDOG FURNITURE	1 BARTLEY CRES OTTAWA ON K2J 1R9	17,987.38	0.00	17,987.38
211	SUPERIOR PROPANE INC.	1265 ARTHUR ST E THUNDER BAY ON P7E 6E7	564.19	0.00	564.19
212	TAMMY HEYMAN * V83767	3309 WOODVALLEY DR BALTIMORE MD 21208	0.00	0.00	0.00
213	TED MALPAGE	291 BRIANCREST ROAD WINDSOR JUNCTION NS B2T 1Z9	152.19	0.00	152.19

14-May-2014

Date

  
 Caryl Logen



District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-1859688  
 Estate No. 31-1859688

FORM 78 - Continued

List "A"  
 Unsecured Creditors

Next Wood Inc

No.	Name of creditor	Address	Unsecured claim	Balance of claim	Total claim
214	THE EXECUTIVE COMMITTEE LTD	SUITE 1200-833 4TH AVE SW CALGARY AB T2P 3T5	4,678.20	0.00	4,678.20
215	THE HOME DEPOT	P.O. BOX 675, STATION D SCARBOROUGH ON M1R 5T4	2.98	0.00	2.98
216	THE ORANGE GROUP	10 WATERSIDE CRESCENT MAPLE ON L6A 3X6	50.54	0.00	50.54
217	THE TRY-MITRE GROUP INC.	2345 YONGE STREET, SUITE 300 TORONTO ON M4P 2E5	30,020.00	0.00	30,020.00
218	TOP EMPLOYMENT AGENCY INC.	210-388 STEELES AVE.W. THORNHILL ON L4J 6X3	72,375.05	0.00	72,375.05
219	TOPS TOTAL OFFICE PRODUCT	1 - 420 BANKS ROAD KELOWNA BC V1X 6A3	495.18	0.00	495.18
220	TRIAD OFFICE INTERIORS	100-3345 NORTH SERVICE RD BURLINGTON ON L7N3G2	8,605.47	0.00	8,605.47
221	ULINE	60 HEREFORD STREET BRAMPTON ON L6Y 0N3	182.89	0.00	182.89
222	UPS CANADA LTD	P.O. BOX 4800, STATION A TORONTO ON M5W 0A7	682.47	0.00	682.47
223	VENRIES CAMPBELL	810-25 MARTHA EATONWAY NORTH YORK ON M6M 5B7	0.00	0.00	0.00
224	VENTURE INTERIORS	73 PLAUNT STREET S RENFREW ON K7V 1M5	9,028.79	0.00	9,028.79
225	VICTORIA LEPARD	31 RINALDO ROAD KESWICK ON L4P 3X9	0.00	0.00	0.00
226	WANDEROSA WOOD PRODUCTS IN	150 PARR BOULEVARD BOLTON ON L7E 4E6	28,914.43	0.00	28,914.43
227	W-CUBED, LLC	13763A BOTTOM ROAD HYDES MD 21082 USA	0.00	0.00	0.00
228	WELKE CUSTOMS BROKERS	118 SKYWAY AVENUE TORONTO ON M0W 4Y9	0.00	0.00	0.00
229	WESKO SYSTEMS	4570 EASTGATE PARKWAY MISSISSAUGA ON L4W 3W6	2,081.12	0.00	2,081.12
230	WESTERN LOGISTICS INC	1555 BRIGANTINE DRIVE COQUITLAM BC V3K 7C2	20,450.81	0.00	20,450.81
231	WESTERN LOGISTICS -US *	1555 BRIGANTINE DRIVE COQUITLAM BC V3K 7C2	4,047.37	0.00	4,047.37
232	WESTON PREMIUM WOODS	25 AUTOMATIC DRIVE BRAMPTON ON L6S 5N8	69,955.45	0.00	69,955.45
233	WILSONART INTERNATIONAL IN	380 COURTNEY PARK DRIVE, UNIT A MISSISSAUGA ON L5T 2S5	4,181.62	0.00	4,181.62
234	WRAY HINAN	27 COLONY TRAIL BLVD HOLLAND LANDING ON L0N 1C6	0.00	0.00	0.00
235	ZZ US EXCHANGE at 1.0970	- -- H3A 0G6	20,895.57	0.00	20,895.57
Total:			1,062,800.50	0.00	1,062,800.50

14-May-2014

Date

  
 Daryl Logan

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-1859688  
 Estate No. 31-1859688

FORM 78 -- Continued

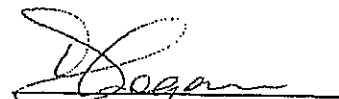
List "B"  
 Secured Creditors

Next Wood Inc

No.	Name of creditor	Address	Amount of claim	Particulars of security	When given	Estimated value of security	Estimated surplus from security	Balance of claim
1	1394597 ONTARIO LTO	2345 YONGE STREET, SUITE 300 TORONTO ON M4P 2E5	50,000.00	Business Assets - Machinery - Machinery and Equipment		50,000.00		
2	LAURENTIAN BANK	1881 AVE MCGILL COLLEGE MONTREAL QC H3A 3K3	1,056,000.00	Debts Due - Business - Accounts receivable  Business Assets - Machinery - Machinery and Equipment Business Assets - Stock In Trade - Raw materials		1,056,000.00  0.00 0.00	344,000.00	
3	MARILYN J. LOGAN	2345 YONGE STREET, SUITE 300 TORONTO ON M4P 2E5	200,000.00	Business Assets - Stock In Trade - Raw materials  Business Assets - Machinery - Machinery and Equipment		200,000.00  0.00		
4	THOMSON, DIANE M.	18938 LESLIE STREET SHERON ON L0G 1V0	100,000.00	Business Assets - Machinery - Machinery and Equipment		100,000.00	50,000.00	
Total:			1,406,000.00			1,406,000.00	394,000.00	0.00

14-May-2014

Date

  
 Daryl Logan

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-1859688  
Estate No. 31-1859688

FORM 7B - Continued

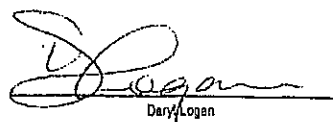
List "C"  
Preferred Creditors for Wages, Rent, etc.

Next Wood Inc

No.	Name of creditor	Address and occupation	Nature of claim	Period during which claim accrued	Amount of claim	Amount payable in full	Difference ranking for dividend
Total:					0.00	0.00	0.00

14-May-2014

Date



Darryl Logan

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-1859688  
Estate No. 31-1859688

FORM 78 -- Continued

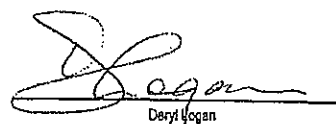
Liabilities  
Contingent or Other Liabilities

Next Wood Inc

No.	Name of creditor or claimant	Address and occupation	Amount of liability or claim	Amount expected to rank for dividend	Date when liability incurred	Nature of liability
			Total: 0.00	0.00		

14-May-2014

Date



Deryl Logan

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-1859688  
 Estate No. 31-1859688

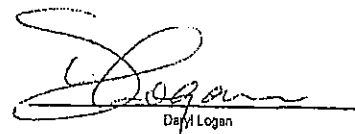
FORM 78 -- Continued

List "E"  
 Debts Due to the Debtor  
 Next Wood Inc

No.	Name of debtor	Address and occupation	Nature of debt	Amount of debt (good, doubtful, bad)	Folio of ledgers or other book where particulars to be found	When contracted	Estimated to produce	Particulars of any securities held for debt
1	Accounts receivable	88 Planchet Road Concord ON L4K 2C7	Accounts receivable	2,000,000.00 600,000.00 0.00		14-Apr-2014	1,400,000.00	Accounts receivable
Total:				2,000,000.00 600,000.00 0.00			1,400,000.00	

14-May-2014

Date



Daryl Logan

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-1859688  
Estate No. 31-1859688

FORM 76 - Continued

List F


Bills of Exchange, Promissory Notes, Lien Notes, Chattel  
Mortgages, etc., Available as Assets

Next Wood Inc

No.	Name of all promissory, acceptors, endorsers, mortgagors, and guarantors	Address	Occupation	Amount of bill or note, etc.	Date when due	Estimated to produce	Particulars of any property held as security for payment of bill or note, etc.
Total:				0.00		0.00	

14-May-2014

Date



Daryl Logan

District of: Ontario  
Division No. 09 - Toronto  
Court No. 31-1859588  
Estate No. 31-1859588

FORM 78 - Continued

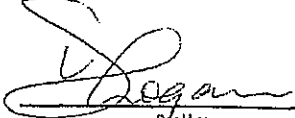
List 'G'  
Real Property or Immovables Owned by Debtor

Next Wood Inc

Description of property	Nature of debtor interest	In whose name does title stand	Total value	Particulars of mortgages, hypothecs, or other encumbrances (name, address, amount)	Equity or surplus
			0.00		0.00
Total:			0.00		0.00

14-May-2014

Date



Daryl Logan

District of: Ontario  
 Division No. 09 - Toronto  
 Court No. 31-1859688  
 Estate No. 31-1859688

FORM 76 - Concluded

List "H"  
 Property

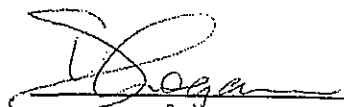
Next Wood Inc

FULL STATEMENT OF PROPERTY

Nature of property	Location	Details of property	Original cost	Estimated to produce
(a) Stock-in-trade		Raw materials	0.00	200,000.00
(b) Trade fixtures, etc.			0.00	0.00
(c) Cash in financial institutions			0.00	0.00
(d) Cash on hand			0.00	0.00
(e) Livestock			0.00	0.00
(f) Machinery, equipment and plant		Machinery and Equipment	0.00	200,000.00
(g) Furniture			0.00	0.00
(h) Life insurance policies, RRSPs, etc.			0.00	0.00
(i) Securities			0.00	0.00
(j) Interests under wills, etc.			0.00	0.00
(k) Vehicles			0.00	0.00
(l) Taxes			0.00	0.00
(m) Other			0.00	0.00
			Total:	400,000.00

14-May-2014

Date



Daryl Logan



Court No. 31-1859688

File No. 31-1859688

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In the Matter of the Proposal of  
Next Wood Inc.  
Of the City of Vaughan  
In the Province of Ontario

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Form 78 (Bill C-12)  
Statement of affairs (Business bankruptcy)

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Richter Advisory Group Inc. - Trustee  
Per:

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Philip Manel, CPA, CA, CIRP  
181 Bay Street, 33rd Floor  
Toronto ON M5J 2T3  
Phone: (416) 488-2345 Fax: (416) 488-3765

## **APPENDIX “F”**

IN THE MATTER OF THE PROPOSAL OF

NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO

REPORT OF THE PROPOSAL TRUSTEE ON THE  
FINANCIAL SITUATION OF THE DEBTOR AND THE PROPOSAL  
(Sections 50(10)(b) and 50(5) of the *Bankruptcy and Insolvency Act*)

This report provides an outline of the background and financial position of Next Wood Inc. ("Next Wood" or the "Company"), including relevant information that should be of assistance to the Company's creditors in considering their position with respect to the Proposal (as defined herein) being presented by the Company to its creditors.

Enclosed are the following documents:

- Notice of Proposal to Creditors;
- Proposal, under Part III, Division I of the *Bankruptcy and Insolvency Act*, R.S.C. 1985 c.B-3 (the "BIA") lodged with Richter Advisory Group Inc. ("Richter" or the "Proposal Trustee") by the Company and filed with the Official Receiver on May 14, 2014 (the "Proposal");
- The Company's Statement of Affairs sworn May 14, 2014;
- A Proof of Claim form and general Proxy;
- A Voting Letter; and

In preparing this report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company's representatives, the Company's books and records, discussions with the Company's representatives and the Company's legal counsel. The Proposal Trustee has not audited, reviewed, or otherwise attempted to verify the accuracy or completeness of such information.

Unless otherwise stated, monetary amounts contained herein are expressed in Canadian dollars. Capitalized terms not otherwise defined in this report have the meanings attributed to such terms in the Proposal.

#### Section A – Introduction and Background

Next Wood is a privately held company, which operates two manufacturing divisions – Inline Systems and Tricore Industries ("Tricore") – and specializes in the production of premium quality modular office furniture and home storage cabinets for mass merchandisers.

The Company operates out of leased facilities in Vaughan, Ontario. The Company has approximately 50 employees, including both salaried and hourly workers. The workers are not unionized and the Company does not sponsor a pension plan for any of its employees.

Due to declining sales over the previous several years, the Company's financial results have suffered culminating in an EBITDA loss for the fiscal year ended April 30, 2014.

As a result of Next Wood's declining financial performance, the Company exhausted its liquidity and, on April 14, 2014 (the "NOI Filing Date"), the Company filed a Notice of Intention to Make a Proposal ("NOI") under Subsection 50.4(1) of the BIA.

Subsequent to the filing of the NOI, the Company determined that it was in the best interest of all stakeholders to solicit offers for the Company's assets on a going concern or other basis. The Company focused its efforts on finding a buyer that would purchase all or substantially all of its assets "en-bloc" with a view to continuing the business and providing employment to as many of Next Wood's employees as possible.

The Company, with the assistance of the Proposal Trustee, prepared an information memorandum and developed a list of parties who might potentially have an interest in this acquisition opportunity, including other modular office furniture manufacturers, competitors, and others. The Company identified and contacted in excess of 20 potentially interested parties directly in connection with the acquisition opportunity.

The deadline for the submission of offers was May 7, 2014 (the "Offer Deadline"). Several interested parties submitted formal letters of intent/offers for all or substantially all of the Company's assets by the Offer Deadline. Certain of the prospective purchasers that submitted formal letters of intent/offers expressed interest in an acquisition on a going concern basis.

The Company has selected one of the potential purchasers with which to pursue a transaction. This party has had extensive discussions with Next Wood's management and is in the process of completing its remaining due diligence.

Negotiations with the prospective purchaser are ongoing and, as Next Wood and the prospective purchaser have not yet signed a binding agreement of purchase and sale, the Proposal Trustee will not go into any more detail with respect to the prospective transaction or its terms at this time. The BIA requires that any sale of assets outside of the ordinary course of business be approved by the Court and, as such, the Company will bring a motion for Court approval once a definitive agreement of purchase and sale has been executed.

#### **Section B – Summary of the Proposal**

A brief summary of the Proposal, which Next Wood filed with the Proposal Trustee on May 14, 2014, is provided below. The terms of the Proposal would be effective if:

1. all classes of Unsecured Creditors vote for acceptance of the Proposal by a majority in number and two thirds in value of each class of Creditors present, personally or by proxy, at the Creditors' Meeting and voting on the resolution; and
2. the Proposal is approved by the Court, in accordance with the provisions of the BIA.

Next Wood's Proposal provides for the orderly sale of the Company's assets with the expectation that Creditors will derive a greater benefit from the efforts of the Company to sell its assets and to collect its accounts receivable than would be realized from a forced liquidation.

As set out in the Proposal, the Proposal provides for the following:

1. The monies paid by the Company to the Proposal Trustee to fund a distribution to Creditors will be comprised of all of Next Wood's cash flow generated by the Company's operations (including, without limitation, proceeds from the sale of the Company's assets and the collection of accounts receivable) net of any amounts thereof used by the Company in the ordinary course of business including, but not limited to, the payment of employee compensation, rent and applicable taxes.
2. The Proposal is not being made to Secured Creditors. The Claims of Secured Creditors are to be dealt with in accordance with existing agreements between the Company and the Secured Creditors or as otherwise agreed to by Next Wood and the Secured Creditors.
3. The fees and disbursements of the Proposal Trustee, including the legal fees and expenses of the Proposal Trustee and the Company in connection with the preparation and proceedings arising out of the Proposal, are to be paid by the Company in priority to all Claims in accordance with the scheme of distribution set out in the BIA.
4. Claims as at the NOI Filing Date that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* (Canada) (the "ITA"), any provision of the *Canada Pension Plan or Employment Insurance Act* that refers to subsection 224(1.2) of the ITA, or any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, shall be paid within six (6) months after the issuance of the Approval Order approving the Proposal, or as otherwise may be arranged.
5. Amounts owing to the Company's employees and former employees that they would qualify to receive as claims under paragraph 136(1)(d) of the BIA if the Company became bankrupt on the NOI Filing Date, as well as all wages, salaries, commissions or compensation for services rendered after the NOI Filing Date but before Court approval of the Proposal, are to be paid immediately following the granting of the Approval Order. For greater certainty, amounts due or which may become due do not include claims for severance or termination pay or any compensation *in lieu* of termination.
6. Following the payments referred to in paragraphs 3, 4 and 5 above, Claims of Preferred Creditors are to be paid, in full, from the Funds in priority to all Claims of Unsecured Creditors.
7. Following the payments referred to in paragraphs 3, 4, 5 and 6 above, the balance of the Funds are to be distributed by the Proposal Trustee, on a *pro rata* basis, to the remaining Unsecured Creditors of the Company.
8. Claims arising in respect of goods supplied, services rendered or other consideration given to the Company subsequent to the NOI Filing Date are to be paid, in full, by the Company in the ordinary course of business and on terms agreed to between the Company and its respective creditors.
9. Upon the (i) approval of the Proposal by the Creditors and the Court, (ii) the passing of the Effective Date, (iii) the closing of the Proposed Transaction, and (iv) the making of the payments provided for in the Proposal, all Claims against the Company shall be forever discharged and released.
10. Upon distribution of the payments referred to in paragraphs 3,4,5,6 and 7 above, the Proposal will have been fully performed and the Proposal Trustee will issue to Next Wood the certificate referred to in Section 65.3 of the BIA (Certificate of Full Performance of Proposal).

11. The implementation of the Proposal is conditional upon the fulfilment or satisfaction of all of the following conditions:

- i. acceptance of the Proposal by the Unsecured Creditors;
- ii. the granting by the Court of the Approval Order and the expiry of all appeal periods in respect thereof;
- iii. the closing of the Proposed Transaction; and
- iv. the receipt by the Proposal Trustee of the Funds from Next Wood.

The description of the Proposal in this report is a summary only and is being provided solely for the purpose of assisting the Creditors. In the event there is any inconsistency between this report and the Proposal, the terms of the Proposal shall govern. Creditors are advised to read the Proposal in its entirety.

#### Section C – Financial Position and Causes of Difficulties

The Company's operating results for the fiscal years ended April 30, 2012, 2013 and 2014 are summarized in the table below (as the Company has not finalized its reporting for the year ended April 30, 2014, the financial data for that period includes certain estimates):

<b>Next Wood Inc.</b>			
<b>Historical Financial Results</b>			
	(Estimated)		
For the year ending (in 000's)	Apr-14	Apr-13	Apr-12
Sales	5,999	8,717	7,961
Cost of Sales	(5,022)	(6,661)	(5,778)
Gross Profit	977	2,056	2,183
General and Admin Expense	(1,898)	(1,998)	(1,854)
<b>EBITDA</b>	<b>(921)</b>	<b>58</b>	<b>329</b>

The Company's financial difficulties over the past several years have resulted from an overall decline in sales, particularly sales of Tricore products to mass merchandisers and more recently Canadian government contract sales, which historically comprised a significant portion of the Company's total sales.

#### Section D – Interim Receiver

Not applicable.

#### Section E – Identification and Evaluation of Assets

According to the Company's Statement of Affairs, the Company's assets consist of the following:

Asset Description	Estimated Net Book Value	Estimated Realizable Value per SOA
Accounts Receivable	2,000,000	1,400,000
Inventory	n/a	200,000
Capital Assets	n/a	200,000
<b>Total *</b>	<b>2,000,000</b>	<b>1,800,000</b>

\* the total estimated net book value of the Company's assets excludes any value for the Company's inventory and capital assets.

The Company's assets are discussed in greater detail below:

#### **Accounts Receivable**

According to the Company's books and records, the Company's accounts receivable balance, as at April 30, 2014, was approximately \$1,350,000. The Company has undertaken a detailed analysis of its accounts receivable to determine the collectability of each account taking into consideration historic collection rates, the nature of the customer and the aging of the receivable. Based on the Company's analysis, the Company has estimated that on a going concern basis approximately \$1,200,000 of its accounts receivable are collectible.

However, in a liquidation scenario, it is the Proposal Trustee's view that in addition to normal credit risk, customers may claim offsets for potential outstanding warranty costs and back charges against amounts owed to the Company. As a result, the Proposal Trustee estimates that in a liquidation scenario, the realizable value of the Company's accounts receivable ranges between \$700,000 – \$850,000.

#### **Inventory**

According to the Company's books and records, the estimated cost and net book value of inventory, as at April 30, 2014, was approximately \$1,330,000. According to the Company, Next Wood's inventory consists of finished goods (\$430,000) and raw materials (\$900,000). Based on discussions with the Company, the Proposal Trustee understands that approximately \$200,000 of the finished goods inventory is related to the Company's working showroom merchandise with the remaining finished goods being small quantities of other furniture items and components.

In the Proposal Trustee's view, in a liquidation scenario, there may be limited recoveries from the Company's inventory, as significant discounts may be required to sell the Company's raw materials and finished goods inventory. Based on the above and the results of the Company's solicitation of offers for the Company's assets, the Proposal Trustee estimates that in a liquidation scenario, the realizable value of the Company's inventory ranges between \$50,000 – \$100,000, net of any commissions and expenses that would be charged by an auctioneer.

#### **Capital Assets**

According to the Company's books and records, the net book value of the Company's capital assets, as at April 30, 2014, was approximately \$1,000,000. The Company's capital assets consist largely of machinery and equipment and leasehold improvements.

In the Proposal Trustee's view, based on the results of the Company's solicitation of offers for the Company's assets, the realizable value of Next Wood's capital assets in a liquidation scenario ranges between approximately \$150,000 – \$250,000.

#### **Section F – Conduct of the Debtor**

The Proposal Trustee has performed a preliminary review of certain of Next Wood's financial records, including the Company's bank statements for the 12-month period prior to the NOI Filing Date in order to identify (i) any disbursements greater than \$25,000 that may be considered preferences pursuant to the BIA, and (ii) any transactions that may be considered transfers at undervalue pursuant to the BIA.

Based on its preliminary review, the Proposal Trustee has not identified any disbursements and/or transactions in the 12-month period prior to the NOI Filing Date that may be considered preferences or transfers at undervalue. The Proposal Trustee will provide an update, if necessary, on its review of Next Wood's financial records at the Creditors' Meeting to consider the Proposal.

In connection with its review of Next Wood's financial records, the Proposal Trustee notes that approximately 70 cheques issued by the Company to Creditors in the ordinary course and on regular payment terms for pre-NOI Filing Date obligations cleared the Company's bank account subsequent to the NOI Filing Date (the "Pre-Filing Date Supplier Payments"). The aggregate amount of the Pre-Filing Date Supplier Payments total approximately \$180,000.

### Section G – Creditor Claims

According to the Company's Statement of Affairs, Next Wood's creditors are summarized in the table below:

Creditor Classification	Estimated Claim Per SOA
Secured	1,406,000
Preferred	nil
Unsecured	1,062,801
Contingent	nil
<b>Total</b>	<b>2,468,801</b>

#### Secured Creditors

Based on the Company's books and records, Next Wood's secured creditors and the amounts of their respective claims, as at May 9, 2014 (excluding any accrued interest and other recovery costs), are as follows:

Secured Creditor	Amount of Claim
Laurentian Bank (the "Bank")	400,000
1394507 Ontario Limited ("1394507")	50,000
M. Logan ("Logan")	200,000
D. Thomson ("Thomson")	100,000
<b>Total</b>	<b>750,000</b>

The Proposal is not made to Secured Creditors. As noted in Section B of this report, the Claims of Secured Creditors are to be dealt with in accordance with existing agreements between the Company and the Secured Creditors or as otherwise agreed between Next Wood and the Secured Creditors.

The Proposal Trustee has obtained a legal opinion on the validity and enforceability of the security granted by the Company in favour of each of 1394507, Logan and Thomson from its independent legal counsel, Thornton Grout Finnigan LLP ("TGF"). TGF's legal opinion states that, subject to the customary assumptions and qualifications for an opinion of this nature, the security interests of 1394507, Logan and Thomson are valid and enforceable as against the Company.

With respect to the Bank's security, as TGF has previously acted as counsel to the Bank regarding Next Wood, the Proposal Trustee obtained a legal opinion on the validity and enforceability of the security granted by the Company to the Bank from independent legal counsel, Aird & Berlis LLP ("A&B"). A&B's legal opinion states that, subject to the customary assumptions and qualifications for an opinion of this nature, the security interest of the Bank is valid and enforceable as against the Company.

The Proposal Trustee also notes that, based on its review of a printout summarizing registrations of security interests against the Company pursuant to the *Personal Property Security Act* (Ontario), in addition to the above noted Secured Creditors, the Royal Bank of Canada has registered a security interest against Next Wood (the "Other Security Registration"). Next Wood has informed the Proposal Trustee that, as at the NOI Filing Date, no amounts were owed by the Company in respect of the Other Security Registration. The parties holding the Other Security Registration will be provided with notice of the Creditors' Meeting.



### **Preferred Creditors**

According to the Statement of Affairs, no amounts are due to Preferred Creditors. Based on the Proposal Trustee's review of certain of the Company's financial records, it appears that all amounts owed to Next Wood's employees, in respect of outstanding wages and vacation pay, which may have existed as at the NOI Filing Date, have been paid by the Company in the ordinary course. Any employee claims that might exist at the time of Court approval of the Proposal will be paid immediately following Court approval in accordance with the terms of the Proposal and the BIA.

Based on its review of certain of the Company's financial records, the Proposal Trustee is not aware of any other potential Preferred Claims.

### **Unsecured Creditors**

According to the Company's Statement of Affairs, Next Wood's Unsecured Creditors are owed \$1,062,800.50, excluding any amounts owed to the Company's former employees for termination and severance pay.

### **Contingent Creditors**

The Company is not aware of any contingent creditors.

### **Section H – Previous Dealings with the Debtor**

The undersigned Proposal Trustee confirms that neither he nor the firm with which he is related has provided previous services to the Company in any capacity other than consulting with the Company in respect of its consideration to file a Proposal. The Proposal Trustee further confirms that he does not have any knowledge of any conflict of interest situation arising from the acceptance of this appointment as Proposal Trustee under the Proposal.

### **Section I – Informal Meetings with Major Creditors**

Not applicable.

### **Section J – Remuneration of Proposal Trustee**

Payment of the fees and expenses of the Proposal Trustee, including the legal fees and disbursements of the Proposal Trustee, are provided for in the Proposal.

As at the date of this report, the fees and expenses of the Proposal Trustee for the period ending April 18, 2014 have been included in the Company's operating costs and paid in the ordinary course from the Company's operating cash flow.

### **Section K - Cash Flow Statement**

In accordance with the BIA, the Proposal Trustee reviewed the cash flow statement and assumptions for the period May 12, 2014 to July 11, 2014 that were prepared by the Company (the "**Cash Flow Statement**") and which were filed with the Official Receiver. In reviewing the Cash Flow Statement, nothing has come to the Proposal Trustee's attention which would lead the Proposal Trustee to believe that the hypothetical and probable assumptions used by the Company in the preparation of the Cash Flow Statement are inconsistent with the purpose of the Cash Flow Statement.

## **Section L – Statement of Estimated Realizations**

### **Proposal Accepted**

The Company has determined that it is in the best interest of all stakeholders to file a Proposal to effect an orderly sale of the Company's assets. It is the Company's expectation that Creditors will derive a greater benefit from the Company's efforts to sell its assets and collect its accounts receivable than would be realized from a forced liquidation of the Company's assets.

The Funds to be distributed to the Company's Creditors will be comprised of all of Next Wood's cash flow generated from the Company's operations prior to the closing of the proposed transaction (including, without limitation, proceeds from the sale of the Company's assets and the collection of the Company's accounts receivable) net of any amounts thereof used in the ordinary course of its business.

As noted in Section A above, Next Wood has completed a sales process to solicit offers for the Company's assets on a going concern or other basis, and the Company has selected to pursue a transaction with one of the prospective purchasers interested in a going concern acquisition of the Company. This party has had extensive discussions with Next Wood's management and is in the process of completing its remaining due diligence.

Negotiations with the prospective purchaser are ongoing and, as Next Wood and the prospective purchaser have not yet signed a binding agreement of purchase and sale, the Proposal Trustee will not go into any further detail with respect to the prospective transaction or its terms at this time. The BIA requires that any sale of assets outside of the ordinary course of business be approved by the Court and the Company will bring a motion for Court approval once a definitive agreement of purchase and sale is executed.

In the Proposal Trustee's view, the proposed going concern transaction represents the best possibility for the Creditors to maximize their return from the Company's assets by:

- (i) continuing the Company's manufacturing operations;
- (ii) enhancing recoveries from accounts receivable;
- (iii) avoiding set off claims;
- (iv) optimizing realizations from raw materials and finished goods inventory;
- (v) preventing a supply disruption to the Company's direct and indirect customers; and
- (vi) providing ongoing employment to a number of the Company's employees.

In connection with the Proposal, please note that the amount owing to Unsecured Creditors and, therefore, the estimated dividend to Unsecured Creditors, is subject to variation in the event that the amounts included in the Proofs of Claim filed by the Creditors and accepted by the Proposal Trustee are different from the amounts included in the Company's Statement of Affairs.

Distributions to Unsecured Creditors in respect of Proven Claims will be subject to the Superintendent of Bankruptcy's levy that will not exceed 5% of the dividend paid.

### **Proposal Not Accepted**

If the Proposal is not accepted, Next Wood would become bankrupt on June 4, 2014 and the Company's assets would vest with the trustee in bankruptcy, subject to the rights of the Company's Secured Creditors. The Proposal Trustee is of the view that in the event of a bankruptcy of the Company, the Bank would likely appoint a Receiver to realize on the Company's assets.

In the event of the Company's bankruptcy, there is risk that realizations from the Company's assets will be reduced resulting in diminished realizations for the Creditors. In a bankruptcy scenario, assuming the Company's assets as at June 4, 2014 are substantially the same as the Company's assets detailed in Section E of this report, the Proposal Trustee estimates that the realizations that would be available to the Company's Unsecured Creditors would be as follows:

Asset Description	Estimated Realizable Value		Notes
	Low	High	
Accounts Receivable	700,000	850,000	1
Inventory	50,000	100,000	2
Capital Assets	150,000	250,000	3
<b>Estimated Gross Realizations</b>	<b>900,000</b>	<b>1,200,000</b>	
<b>Less:</b>			
Claims of Secured Creditors	(750,000)	(750,000)	4
Source deductions	nil	nil	5
Estimated Fees of Receiver/Trustee in Bankruptcy	(100,000)	(75,000)	
<b>Amount Available for Distribution</b>	<b>50,000</b>	<b>375,000</b>	6
<b>Estimated Unsecured Claims</b>	<b>1,062,801</b>	<b>1,062,801</b>	7
<b>Estimated % Distribution per Dollar of Unsecured Claim</b>	<b>4.70%</b>	<b>35.28%</b>	8

**Notes:**

1. In a bankruptcy, estimated recoveries from accounts receivable may be negatively impacted by customer claims for offsets against potential outstanding warranty costs and back charges.
2. In a bankruptcy, significant discounts may be required to sell the Company's finished goods, which largely consist of office furniture and small quantities of other furniture and components, and there may be limited recoveries from the Company's raw materials inventory.
3. Estimated recoveries in a liquidation scenario are based on the results of the Company's solicitation of offers for the Company's assets.
4. Represents the amounts payable to the Bank, 1394507, Logan and Thomson, as at May 9, 2014, excluding any accrued interest and other recovery costs (see Section G of this report).
5. According to the Company, there are no amounts owing for source deductions.
6. This amount does not include costs of realization such as occupancy costs (rent) and insurance.
7. This amount represents the amount owing to Unsecured Creditors as per the Company's Statement of Affairs and, as such, is subject to variation in the event that amounts included in Proofs of Claim filed by the Creditors and accepted by the Proposal Trustee are different from the amounts included in the Statement of Affairs. In this regard, it should be noted that this amount does not include any former employee claims in respect of termination and/or severance pay.
8. The estimated dividend to Unsecured Creditors in respect of Proven Claims will be subject to the Superintendent of Bankruptcy's levy that will not exceed 5% of the dividend paid.

Based on the above statement of estimated realizable value, in the event of Next Wood's bankruptcy, the estimated percentage distribution per dollar of Unsecured Claim (excluding the costs of realization, including rent and insurance) ranges from approximately 5% – 35%.

**Section M – Recommendations**

Based on the analysis set out in this report, the Proposal Trustee believes that the Proposal is advantageous since the Proposal contemplates a distribution to Creditors that likely exceeds the dividend that would otherwise be available from a bankruptcy, as described above.

The Proposal represents the best possibility for the Creditors to maximize their return from the Company's assets by providing for the possibility of the continuation of the Company's manufacturing operations which, in turn, would enhance recoveries from accounts receivable, avoid set off claims, optimize realizations from raw materials and finished goods inventory, prevent a supply disruption to the Company's direct and indirect customers and provide ongoing employment to a number of the Company's employees.

Accordingly, the Proposal Trustee recommends the acceptance of the Proposal by the Creditors.

**Section N – Meeting of Creditors**

In completing the Proof of Claim form enclosed herewith, Creditors should only include all amounts outstanding as at April 14, 2014.

**It is expressly noted and should be clearly understood that Richter, acting solely in its capacity as Proposal Trustee, assumes no responsibility for any claims against Next Wood before, on, or after the NOI Filing Date.**

Creditors may attend the meeting to consider the Proposal either in person or by proxy. The meeting to consider the Proposal will be held on June 4, 2014 at 10:00 a.m. at the offices of Thornton Grout Finnigan LLP, Toronto-Dominion Centre, 100 Wellington Street West, Suite 3200, Toronto, Ontario.

**Please note that in order for your vote to count in connection with the Proposal, it is necessary that you complete and submit the enclosed documents prior to the meeting.**

Creditors who do not wish to attend or be represented at the meeting but who wish to vote, may forward their Proofs of Claim and voting letters to the Proposal Trustee so as to be received prior to the meeting.

\*\*\*\*\*

Should you have any questions in connection with the Proposal or this report, please contact Mr. Adam Sherman at (416) 642-4836 or via email at [asherman@richter.ca](mailto:asherman@richter.ca).

Dated at Toronto, Ontario, this 23<sup>rd</sup> day of May, 2014

**Richter Advisory Group Inc.  
in its capacity as Proposal Trustee re  
the Proposal of Next Wood Inc.**



Paul van Eyk, CPA, CA-IFA, CIRP

## **APPENDIX “G”**

DISTRICT OF ONTARIO  
Division No. 09-Toronto  
Court No. 31-1859688  
Estate No. 31-1859688

IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO

MINUTES OF THE FIRST MEETING OF CREDITORS

Minutes of the First Meeting of Creditors (the "**Meeting**") of Next Wood Inc. ("**Next Wood**" or the "**Company**"), held on June 4, 2014 at 10:00 a.m. at:

Thornton Grout Finnigan LLP  
Toronto Dominion Centre  
100 Wellington Street West, Suite 3200  
Toronto ON  
M5K 1K7

**ATTENDANCE**

Adam Sherman, Richter Advisory Group Inc. (Proposal Trustee)  
Kyle Plunkett, Thornton Grout Finnigan LLP (Estate Solicitor)  
Daryl Logan, Next Wood Inc.  
Bob Thomson, Next Wood Inc.  
John Ball, Keyser Mason Ball LLP, (Next Wood's Solicitor)

Additional attendees (the "**Attendees**") are as listed on the sign-in sheet attached hereto as Appendix "A".

**CALL TO ORDER**

The Chairperson (as hereinafter defined) called the Meeting to order at 10:00 a.m.

Adam Sherman, Vice President of Richter Advisory Group Inc. ("**Richter**" or the "**Proposal Trustee**") informed the Attendees that he would be chairing the Meeting (the "**Chairperson**"), as a nominee of the Official Receiver, pursuant to Section 51(3) of the *Bankruptcy and Insolvency Act* (the "**BIA**") and that any question or dispute arising at the Meeting would be decided by the Chairperson, and that any creditor may appeal the decision of the Chairperson to the Court.

The Chairperson declared the Meeting properly called, and a quorum being present, duly constituted.

The Chairperson introduced Mr. K. Plunkett of Thornton Grout Finnigan LLP ("TGF"), the Proposal Trustee's solicitor, Messrs. D. Logan and B. Thomson of Next Wood, and Mr. J. Ball of Keyser Mason Ball LLP, solicitor for the Company.

The Chairperson verbally reported on the administration to date, and tabled the following documents:

- Proposal;
- Proposal Trustee's Report to Creditors on the Proposal (the "Trustee's Report")
- Cash-flows;
- Company's Report on Cash-flows;
- Trustee's Report on Cash-flows;
- Statement of Affairs;
- Notice to Creditors;
- Affidavit of Mailing of Notice to Creditors; and
- Claims register, Proxies and Voting Letters.

The Chairperson advised the Attendees that the purpose of the Meeting was to:

- Provide additional information to Next Wood's creditors in respect of the Company;
- Provide an opportunity for the Company's creditors to ask questions in connection with the Company and/or its Proposal;
- Consider and vote on Next Wood's Proposal; and
- Appoint estate inspectors.

#### **TRUSTEE'S REPORT TO CREDITORS ON THE PROPOSAL**

All Attendees advised that they had received and reviewed the Trustee's Report. Additional copies of the Trustee's Report were made available at the Meeting.

The Chairperson provided a brief overview of the background of the Company and the causes for its financial difficulties, as detailed in the Trustee's Report.

The Chairperson reported on the Proposal Trustee's findings related to its review of the Company's financial records to identify any transactions that may be considered preferences and/or transfers at undervalue, as detailed in the Trustee's Report.

The Chairperson commented on the potential recoveries for Next Wood's unsecured creditors should the Proposal be accepted or, in the alternative, the bankruptcy of the Company.

The Chairperson confirmed that, in the Proposal Trustee's view, the Proposal was advantageous since the Proposal provided the best opportunity for Next Wood's unsecured creditors to maximize their recovery from the Company's assets and the Proposal contemplated a distribution to creditors that likely exceeded the dividend that would be available from a bankruptcy.

## QUESTION PERIOD

The Chairperson invited questions from the floor.

1. Brigitte Parent, representative of Commonwealth Plywood Ltd., a creditor, enquired if the Company's shareholders and/or related parties had received any dividends or principal payments against any loans owed by the Company in the 36 months prior to the filing of the Company's Notice of Intention to Make a Proposal ("NOI").

Daryl Logan advised that no dividends and/or payments (other than interest payments on shareholder loans) had been paid to the Company's shareholders or other related parties in the 36 months prior to the filing of the Company's NOI.

2. Brigitte Parent requested confirmation of the date that the security granted by the Company in favour of 1394507 Ontario Limited ("1394507") had been registered.

Kyle Plunkett, solicitor for the Proposal Trustee, confirmed that the security granted by the Company to 1394507 in 2002 had been registered in 2008. Mr. Plunkett also provided Ms. Parent with copies of the security opinions prepared by TGF in respect of 1394507, M. Logan and D. Thomson.

3. Garnet Stafford, representative of Powder Coaters Inc., a creditor, inquired as to the rationale for the Proposal Trustee's estimated recoveries from the Company's accounts receivable in a bankruptcy scenario.

The Proposal Trustee explained that, in a bankruptcy scenario, in addition to normal credit risk, customers may claim offsets for potential outstanding warranty costs and back charges against amounts owed to the Company. The Proposal Trustee also noted that the Company's accounts receivable are comprised of numerous customers with small amounts owing to the Company, which become increasingly more difficult and costly to collect in a bankruptcy scenario. In addition, the Proposal Trustee confirmed that approximately 25% of the Company's accounts receivable were owed by US-based businesses, which amounts would become more difficult and costly to collect in a bankruptcy scenario.

## VOTING PROCESS AND CLAIMS

The Chairperson explained the voting procedure at the Meeting and explained that only those creditors that had filed a proof of claim with the Proposal Trustee prior to the Meeting and/or held a valid proxy (where applicable) were eligible to vote at the Meeting.

The Chairperson advised the Attendees of the following:

- 86 proofs of claim totaling \$1,985,391.63 had been filed with the Proposal Trustee prior to the Meeting;
- 78 creditors, with claims totaling \$1,836,423.88, were in attendance at the Meeting either in person or represented by proxy (including 2 proxies in favour of the Proposal Trustee in the aggregate amount of \$2,379.91);



- 70 creditors, with claims totaling \$1,597,677.50, filed voting letters with the Proposal Trustee voting in favour of the Proposal; and
- 6 creditors, with claims totaling \$236,366.47, filed voting letters with the Proposal Trustee voting against the Proposal.

As Ms. Parent requested to review certain of the proofs of claim and associated documents filed with the Proposal Trustee prior to the vote, the Chairperson adjourned the Meeting briefly to permit Ms. Parent an opportunity to review the requested documents.

#### **VOTE ON NEXT WOOD'S PROPOSAL**

A motion to vote on Next Wood's Proposal was put forward by Mr. E. Muzzin and seconded by Mr. G. Stafford.

The Chairperson requested that votes be submitted from any person who had not yet filed a voting letter for the Proposal. Following a calculation of the votes, the Chairperson informed the Meeting of the results of the vote, which were as follows:

<b>Vote Results</b>	<b># of Creditors</b>	<b>% (#)</b>	<b>Value (\$) of Claims</b>	<b>% (\$)</b>
In Favour	70	92.11	1,597,677.50	87.11
Against	6	7.89	236,366.47	12.89
<b>Total</b>	<b>76</b>	<b>100.00</b>	<b>1,834,043.97</b>	<b>100.00</b>

The Chairperson confirmed to the Meeting that Next Wood's Proposal had been accepted its creditors.

A copy of the Voting Register is attached hereto as Appendix "B".

#### **COURT APPROVAL OF THE PROPOSAL**

The Chairperson advised the Attendees that, in accordance with the BIA, the Proposal Trustee would be making an application to the Court for Court approval of the Proposal within 5 days of the Proposal's acceptance.

#### **APPOINTMENT OF INSPECTORS**

The Chairperson advised the Meeting of the role of inspectors in the administration of Next Wood's Proposal and inquired if there were any individuals willing to act in this capacity. The following individuals expressed their desire to act as inspectors:

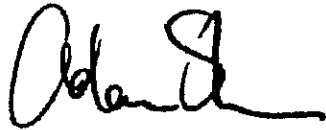
- Lisa Lee
- Brigitte Parent
- Enzo Muzzin

The Chairperson asked if any other individuals, in addition to the people named above, wished to be an inspector. None of the other Attendees expressed an interest in acting as an inspector.

There being no objections to the above list of potential inspectors, the motion to appoint the above-named individuals as inspectors was carried unanimously.

#### **ADJOURNMENT**

There being no further business, it was unanimously resolved that the Meeting be adjourned. The Meeting was adjourned by the Chairperson at approximately 11:15 a.m.

A handwritten signature in black ink, appearing to read 'Adam S.', written in a cursive style.

---

Adam Sherman, Chairperson

# **Appendix “A”**



# Appendix “B”

Next Wood Inc.

Voting Register re Vote on Proposal (June 4, 2014)

Votes For		Votes Against	
Number	70	Number	6
Percentage in Number	92.11%	Percentage in Number	7.89%
Dollar Value	\$ 1,597,677.50	Dollar Value	\$ 236,366.47
Percentage in Dollar Value	87.11%	Percentage in Dollar Value	12.89%

## **APPENDIX “H”**

# RICHTER

CANADA  
Province of Ontario  
District of Ontario  
Division No.: 09-Toronto  
Court No.: 31-1859688  
Estate No.: 31-1859688

SUPERIOR COURT OF JUSTICE  
Commercial List  
*Bankruptcy and Insolvency Act*

FORM 40.1  
Notice of Hearing of Application for Court Approval of Proposal  
(Paragraph 58(b) of the Act)

In the Matter of the Proposal of Next Wood Inc.  
Of the City of Vaughan  
In the Province of Ontario

In Ontario Superior Court of Justice-Commercial List-Toronto.

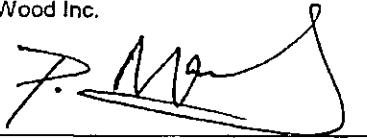
In the matter of the proposal of Next Wood Inc, a debtor.

Take notice that an application will be made to the court, at 330 University Avenue, Toronto, Ontario, on the 2nd day of July 2014, at 10:00 AM, to approve the proposal of Next Wood Inc, accepted by the creditors at a meeting held on the 4th day of June 2014.

Dated at the City of Toronto, in the Province of Ontario, this 13th day of June 2014.

Richter Advisory Group Inc.  
Trustee acting *in re* the proposal of  
Next Wood Inc.

Per:



Philip Manel, CPA, CA, CFP

T. 416.488.2345  
F. 514.934.8603  
[claims@richter.ca](mailto:claims@richter.ca)

Richter Advisory Group Inc.  
181 Bay Street, 33<sup>rd</sup> Floor  
Toronto, ON M5J 2T3  
[www.richter.ca](http://www.richter.ca)

Montréal, Toronto





IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO

Court File No. 31-1859688  
Estate File No. 31-1859688

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(BANKRUPTCY COURT)

Proceedings commenced at Toronto

REPORT ON PROPOSAL OF THE PROPOSAL TRUSTEE  
(RETURNABLE ON JULY 2, 2014)

**Thornton Grout Finnigan LLP**  
Barristers and Solicitors  
Suite 3200, P.O. Box 329,  
Toronto-Dominion Centre  
Toronto, ON M5K 1K7

**Leanne Williams (LSUC# 41877E))**  
**Kyle Plunkett (LSUC#61044N)**  
Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Proposal Trustee,  
Richter Advisory Group Inc.

IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO  
Insolvent Person

RICHTER ADVISORY GROUP INC., Proposal Trustee

Court File No. 31-1859688  
Estate No. 31-1859688

*ONTARIO*  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)

Proceedings commenced at Toronto

REPORT OF TRUSTEE ON PROPOSAL  
(JUNE 20, 2014)

Thornton Grout Finnigan LLP  
Barristers and Solicitors  
Toronto-Dominion Centre  
100 Wellington Street West  
Suite 3200, P.O. Box 329  
Toronto, ON M5K 1K7

Leanne Williams (LSUC#41877E)  
Kyle Plunkett (LSUC#61044N)  
Email: [lwilliams@tgf.ca](mailto:lwilliams@tgf.ca)/[kplunkett@tgf.ca](mailto:kplunkett@tgf.ca)  
Tel: 416-304-1616  
Fax: 416-304-1313

Lawyers for the Proposal Trustee, Richter Advisory Group Inc.

## TAB 3

**ONTARIO  
SUPERIOR COURT OF JUSTICE  
(IN BANKRUPTCY AND INSOLVENCY)**

THE HONOURABLE ► ) WEDNESDAY, THE 2<sup>ND</sup> DAY  
JUSTICE ► ) OF JULY, 2014

**IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO  
Insolvent Person**

**RICHTER ADVISORY GROUP INC.  
Proposal Trustee**

**ORDER**

**THIS MOTION**, made by Richter Advisory Group Inc. (the “**Proposal Trustee**”), the Trustee acting *in re* the proposal of Next Wood Inc. (“**Next Wood**”), for the relief set out in its Notice of Motion dated June 20, 2014 (the “**Notice of Motion**”), was heard this day at Toronto, Ontario.

**ON READING** the Notice of Motion, the Report on Proposal of the Proposal Trustee dated June 20, 2014 (the “**Report**”), and the Exhibits thereto, and on hearing submissions of counsel for the Proposal Trustee, Next Wood and those other parties as appearing on the Counsel Slip, no one else appearing although duly served as appears from the affidavit of service of Maria Magni sworn on June 20, 2014, filed,

**Service**

1. **THIS COURT ORDERS** that the service of the Notice of Motion, and the Motion Record is hereby abridged and validated so that this Motion is properly returnable on July 2, 2014 and hereby dispenses with further service thereof.

**Proposal of Next Wood**

2. **THIS COURT ORDERS** that the Proposal of Next Wood filed with the Official Receiver on May 14, 2014, which was approved by Next Wood's creditors on June 4, 2014, and attached as Schedule "A" hereto, be and is hereby approved.

**Approval of Report on Proposal**

3. **THIS COURT ORDERS** that the Report, and the conduct and activities of the Proposal Trustee set out therein, be and are hereby approved.

---

# Schedule "A"

District of Ontario  
Division No. 09 – Toronto  
Court No. 31-1859688  
Estate No. 31-1859688

## IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF NEXT WOOD INC.

### PROPOSAL

Next Wood Inc. ("Next Wood" or the "Company"), the above named Debtor, hereby submits the following Proposal under the *Bankruptcy and Insolvency Act* (Canada), R.S.C. (1985), c.B-3, as amended.

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## PART I- INTERPRETATION

### Definitions

1. In this Proposal, capitalized terms shall have the following meanings:
  - (a) “**Act**” means the *Bankruptcy and Insolvency Act* (Canada), R.S.C. (1985), c.B-3, as it may be amended from time to time;
  - (b) “**Administrative Fees and Expenses**” means:
    - (i) The proper fees and expenses of the Proposal Trustee, including their legal fees and disbursements; and
    - (ii) The legal and consulting fees and disbursements of Next Wood and its counsel on and incidental to the making of this Proposal both before and after the Filing Date, including, but not limited to, review of the financial affairs of Next Wood, advice with respect to the Proposal process and alternatives thereto, negotiations with creditors in connection with the Proposal; drafting and preparation of the Proposal documents and incidental documents; and advice concerning the transactions and agreements contemplated hereby and the work done towards the implementation thereof, including advice on all such matters.
  - (c) “**Approval Order**” means an order of the Court approving the Proposal to be granted pursuant to the provisions of the Act, the appeal period having expired and no appeal having been filed, or any appeal therefrom having been dismissed and such dismissal having become final;
  - (d) “**Assets**” means all or substantially all of the assets of Next Wood;
  - (e) “**Business Day**” means any day other than a Saturday or a Sunday or a day observed as a public holiday under the laws of the Province of Ontario or the federal laws of Canada applicable therein;
  - (f) “**Claim**” means any claim provable under the Act which is secured or unsecured and specifically includes any indebtedness, liability, action, cause of action, suit, debt, due, accrual, bond, covenant, contract, counterclaim, demand, claim, right and obligation of any nature whatsoever of Next Wood to any person, whether liquidated, unliquidated, fixed, contingent, matured, legal, equitable, secured, unsecured, present, future, known or unknown, and whether by guarantee, surety or otherwise, incurred or arising or relating to the period prior to the Filing Date;
  - (g) “**Closing**” means the day on which the Proposed Transaction is completed;
  - (h) “**Court**” means the Ontario Superior Court of Justice;



- (i) “**Creditor(s)**” means any person or persons who holds one or more valid Claims which have not been finally and conclusively disallowed;
- (j) “**Creditors’ Meeting**” means the meeting of the Creditors called for the purpose of considering and voting upon the Proposal;
- (k) “**Creditors’ Meeting Date**” means such date and time as may be called by the Proposal Trustee, but in any event shall be no later than twenty-one (21) days following the filing of this Proposal with the Official Receiver;
- (l) “**Crown Claim**” means all amounts of a kind that could be subject to a demand under subsection 224(1.2) of *the Income Tax Act (Canada)*, R.S.C. 1985, c.1 (5th Supp.)(the “**ITA**”), as amended or under any substantially similar provision of provincial legislation and that were outstanding at the time of the Filing Date;
- (m) “**Effective Date**” means the date on which the transactions and agreements provided for in this Proposal become effective, which date shall be no later than the later of the:
  - (i) Approval Order;
  - (ii) Closing; and
  - (iii) Next Wood’s payment of the Funds to the Proposal Trustee.
- (n) “**Event of Default**” has the meaning given to it in Part VI of this Proposal;
- (o) “**Filing Date**” means the date on which the Notice of Intention to Make a Proposal was filed with the Office of the Superintendent in Bankruptcy, namely April 14, 2014;
- (p) “**Funds**” means the monies paid to the Proposal Trustee as defined in PART III of this Proposal;
- (q) “**Mandatory Payment**” means a payment that Next Wood is required to make in order to comply with provisions of the Act and specifically include:
  - (i) a Crown Claim payable as of the Filing Date; and
  - (ii) amounts payable to former or current employees of Next Wood to the extent such claims are required to be paid by Subsection 60(1.3) of the Act;
- (r) “**Official Receiver**” shall have the meaning ascribed thereto in the Act;
- (s) “**Post Filing Goods and Services**” means in respect of this Proposal the goods supplied, services rendered and other consideration given to Next Wood subsequent to the Filing Date;





- (t) **“Preferred Creditor”** means any Creditor whose claim has not been finally and conclusively disallowed and who is entitled to receive payment of any amount owed to it in priority to Unsecured Creditors but after Secured Creditors, as provided in section 136 of the Act;
- (u) **“Proof of Claim”** shall mean the proof of claim required by the Act to be mailed to each known Creditor prior the meeting of the Creditors;
- (v) **“Proposal”** means this Proposal made pursuant to the Act, as further amended or supplemented from time to time;
- (w) **“Proposal Trustee”** means Richter Advisory Group Inc., in its capacity as Proposal Trustee in these proceedings;
- (x) **“Proposed Transaction”** means a transaction in connection with the sale of certain, or all, of the Assets, as it may be amended or revised from time to time;
- (y) **“Proven Claim”** of a Creditor means the amount of the Claim of such Creditor finally determined in accordance with the provisions of the Act;
- (z) **“Secured Creditor”** means a person:
  - (i) who is a secured creditor under the Act;
  - (ii) holding a valid mortgage, hypothec, pledge, charge, lien chattel lease or privilege on or against the property of Next Wood or any part thereof as security for a Claim; and
  - (iii) whose Claim has not been finally and conclusively disallowed;
- (aa) **“Unsecured Creditor”** means a person:
  - (i) who is an unsecured creditor under the Act;
  - (ii) with a Claim;
  - (iii) whose Claim has not been finally and conclusively disallowed;
  - (iv) whose Claim is not contingent or unliquidated and found by the Proposal Trustee or the Court (as may be applicable) not to be provable; and
  - (v) for greater certainty shall include the unsecured portion of any Claim held by a Secured Creditor.

#### Articles of Reference

2. The terms “hereof”, “hereunder” and similar expressions refer to the Proposal and not any particular article, section, subsection, clause or paragraph of the Proposal and include any agreements supplemental hereto. In the Proposal, a reference to an article, section,



subsection, clause or paragraph will, unless otherwise stated, refer to an article, section, subsection, clause or paragraph of the Proposal.

**Headings**

3. The division of this Proposal into parts, paragraphs and subparagraphs, and the insertion of headings herein, is for convenience of reference only and is not to affect the construction or interpretation of this Proposal.

**Date for Action**

4. In the event that any date on which any action is required to be taken hereunder is not a Business Day in the Province of Ontario, such action will be required to be taken on the next succeeding day that is a Business Day.

**Accounting Principles**

5. Accounting terms not otherwise defined have the meanings assigned to them in accordance with Canadian generally accepted accounting principles.

**Time**

6. All times expressed herein are local time in Toronto, Ontario, Canada unless otherwise stipulated. Where the time for anything pursuant to the Proposal on a particular date is unspecified herein, the time shall be deemed to be 5:00 p.m. local time in Toronto, Ontario, Canada.

**Numbers and Genders**

7. In the Proposal, where the context requires, a word importing the singular number will include the plural and *vice versa* and a word or words importing gender will include all genders.

**Currency**

8. Unless otherwise stated herein, all references to currency in the Proposal are to lawful money of Canada.

**Statutory References**

9. Except as otherwise provided herein, any reference in the Proposal to a statute includes all regulations made hereunder, all amendments to such statute or regulation(s) in force from time to time, and any statute or regulation that supplements or supersedes such statute or regulation(s).

**Successors and Assigns**

10. The Proposal will be binding upon and will enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any person named or referred to in the Proposal.

**PART II- GENERAL INTENT OF PROPOSAL**

**Effect of Proposal**

11. Next Wood seeks, by this Proposal, to settle or provide for the payment of its outstanding obligations to the Creditors in order to facilitate a restructuring of its operations, through a sale of its business and/or Assets.
12. This Proposal will, as of the Effective Date be binding, according to the terms stated herein, on Next Wood and on all Creditors.

**Secured Creditors**

13. For so long as an Event of Default has not occurred as defined herein or, having occurred has not been rectified, all agreements or other arrangements with Secured Creditors entered into before the Filing Date shall be paid in accordance with the present agreements or other arrangements between Next Wood and the Secured Creditors.

**Post Filing Goods, Services and Operations**

14. All Post Filing Goods and Services shall be paid in full in the ordinary course by Next Wood and shall not be compromised or affected hereby, other than Administrative Fees and Expenses and other amounts which are specifically required to be paid out of the Funds.

**Conditions Precedent**

15. As provided for in the Act, the arrangements and/or transactions set out in this Proposal will not take effect unless the conditions set forth below are substantially satisfied on or before the Effective Date:
  - (a) all approval and consents to this Proposal that may be required have been obtained;
  - (b) the Approval Order has been issued and the time for bringing any appeal therefrom has expired;
  - (c) the Proposed Transaction has closed; and
  - (d) Next Wood has paid the Funds to the Proposal Trustee.



### PART III – PROPOSAL FUND

#### The Funds

16. The Funds will be comprised of all of Next Wood's cash flow generated by the Company's operations (including, without limitation, proceeds from the sale of the Assets and the collection of accounts receivable) net of any amounts thereof used by the Company in the ordinary course of its business including, but not limited to, the payment of employee compensation, rent and applicable taxes.

#### Distribution of the Funds

17. After satisfaction of the Secured Creditor Claims, the Funds shall be distributed by the Proposal Trustee to the Creditors in accordance with their respective priorities under and in accordance with the Act and in the following order of priority:
- (a) Administrative Fees and Expenses;
  - (b) Mandatory Payments;
  - (c) Preferred Creditors; and
  - (d) Unsecured Creditors.
18. Payments by the Proposal Trustee under this Proposal shall be made pursuant to PART IV herein.

### PART IV – PAYMENT OF CREDITOR CLAIMS AND OTHER ITEMS

#### Payment of Administrative Fees and Expenses

19. Administrative Fees and Expenses will be paid out of the Funds in priority to all Claims to be paid out of the Funds. The Administrative Fees and Expenses shall form a first charge on the Funds and the Assets, and shall be paid to the Proposal Trustee and through the Proposal Trustee to others entitled to such fees and expenses on the Effective Date. Fees shall be based upon time spent at standard billing rates. Disbursements and expenses will be paid in addition to the Proposal Trustee's fees as indicated above.

#### Payment of Mandatory Payments

20. Mandatory Payments not made prior to the Effective Date shall be paid in full out of the Funds immediately after the payment of Administrative Fees and Expenses and before any other Claims.

#### *Payment of Crown Claims*

21. Next Wood shall pay to Her Majesty in right of Canada and in right of Ontario all amounts of a kind which may have accrued to the Effective Date and which could be

subject to a demand under subsection 224(1.2) of the ITA or any substantially similar provision of Ontario legislation and Next Wood shall otherwise keep any other such payments current. For greater certainty, all such amounts which shall have accrued or come due as of the Effective Date are deemed to be Mandatory Payments.

22. Next Wood shall pay in full all Claims of her Majesty in right of Canada or a province of a kind that could be subject to a demand under subsection 224(1.2) of the ITA or under any substantially similar provision of provincial legislation and that were outstanding as of the Effective Date, and, for greater certainty, all such amounts shall be deemed to be Mandatory Payments.

#### Payment of Preferred Claims

23. Preferred Claims, including employee claims, without interest and after payment of Administrative Fees and Expenses, are to be paid out of the Funds in full in priority to all Claims of Unsecured Creditors.

#### Payment of Unsecured Claims

24. After payment by the Proposal Trustee of all amounts payable to prior ranking claims, the remainder of Funds shall be distributed to the Unsecured Creditors at such times, if any, as the Proposal Trustee shall determine in consultation with the Inspectors. All dividends to proven Unsecured Creditors shall be paid on a pro rata basis.

#### Proof of Claim

25. Creditors shall file only one Proof of Claim each. Only Creditors filing valid Proofs of Claim will be entitled to vote and to receive payment under this Proposal.

#### Allowance or Disallowance of Claims by the Proposal Trustee

26. Upon receipt of a completed Proof of Claim, the Proposal Trustee shall examine the Proof of Claim and shall deal with each claim in accordance with the provisions of the Act. The procedure for valuing Claims of Unsecured Creditors and resolving disputes with respect to such Claims will be as set forth in the Act. Next Wood and/or the Proposal Trustee reserve the right to seek the assistance of the Court in valuing the Claim of any Unsecured Creditor, if required, to ascertain the result of any vote on the Proposal or the amount payable or to be distributed to such Unsecured Creditor under the Proposal, as the case may be.

### **PART V-- EFFECT OF PAYMENT**

27. By accepting this Proposal, the Creditors accept the payments provided for in this Proposal in complete satisfaction of and substitution for all their Claims and all liens, certificates of pending litigation, executions or any other similar charges or actions or proceedings in respect of such Claims and same will have no effect in law or in equity against the property, assets and undertaking of Next Wood.



28. Upon the (i) approval of the Proposal by the Creditors and the Court, (ii) the passing of the Effective Date, (iii) the closing of the Proposed Transaction, and (iv) the making of all payments provided for in the Proposal:
- (a) the Proposal will be considered to be completely performed by Next Wood;
  - (b) any and all claims of the Creditors in law or in equity against Next Wood, including its present and former property, assets, undertakings if any, liens, certificates of pending litigation, executions or other similar charges or actions, will be discharged, dismissed or vacated without costs; and
  - (c) any and all claims or actions of the Creditors against the directors of Next Wood that arose before the Filing Date and that relate to the obligations of the corporation where the directors are by law liable in their capacity as directors for payment of such obligations, will be discharged, dismissed or vacated, in accordance with Section 50 of the Act.

**Certificate of Full Performance**

29. Upon completion of the distribution by the Proposal Trustee of any funds provided for in the Proposal in accordance with paragraph 28 and the Act, this Proposal shall have been fully performed and the Proposal Trustee shall issue to Next Wood the certificate referred to in section 65.3 of the BIA.

**Discharge of Trustee**

30. Upon distribution by the Proposal Trustee of the Funds to the Creditors, the Proposal Trustee shall have discharged its duties as Proposal Trustee, the Proposal shall be fully performed and the Trustee shall be entitled to apply for its discharge as Proposal Trustee hereunder.
31. The Proposal Trustee is acting solely in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of the Proposal Trustee shall incur any liabilities or obligations in connection with the Proposal or in respect of the business or obligations of Next Wood and will be exempt from any personal liability in fulfilling any duties or exercising any powers conferred upon it by this Proposal unless such acts have been carried out in bad faith and constitute wilful misconduct or gross negligence.

**PART VI- EVENTS OF DEFAULT AND ANNULMENT**

**Events of Default**

32. Non-payment of the amounts required to be paid under this Proposal or the Act shall constitute an Event of Default for the purposes of Section 63 of the Act and otherwise under this Proposal.



**Annulment**

33. If this Proposal is annulled by an order of the Court, all security documents, agreements and other arrangements with Secured Creditors that existed before approval of this Proposal, will be deemed to continue in full force and effect, as if this Proposal had been rejected at the Creditors' Meeting; provided, however, that all payments on account of Claims made pursuant to the terms of this Proposal will reduce the Claims of Creditors.

**PART VII – PROPOSAL TRUSTEE**

34. Richter Advisory Group Inc. shall be the Proposal Trustee under this Proposal and the Funds shall be paid over to the Proposal Trustee who shall make the payment of all amounts payable out of the Funds in accordance with the terms of this Proposal.
35. The Proposal Trustee shall have all the rights and powers accorded under the Act, as they may be applicable, including, but not limited to, the power to disallow Claims.
36. Richter Advisory Group Inc. is acting solely in its capacity as Proposal Trustee and not in its personal capacity and no officer, director, employee or agent of Richter Advisory Group Inc. shall incur any obligations or liabilities in connection with this Proposal or in respect of the business or liabilities of Next Wood.
37. Any payments made by the Proposal Trustee to Creditors hereunder shall be made by the Proposal Trustee net of any levies payable or due under the Act.

**PART VIII – MEETING OF CREDITORS**

**Creditors' Meeting**

38. On the Creditors' Meeting Date, Next Wood shall hold the Creditors' Meeting in order for the Creditors to consider and vote upon this Proposal.

**Time and Place of Creditors' Meeting**

39. Unless otherwise ordered by the Court, the Creditors' Meeting shall be held at a time and place to be established by the Proposal Trustee, and confirmed in its notice of meeting to be mailed pursuant to the Act.

**Conduct of Creditors' Meeting**

40. The Official Receiver, or the nominee thereof, shall preside as the chair of the Creditors' Meeting and will decide all matters relating to the conduct of the Creditors' Meeting. The only persons entitled to attend the Creditors' Meeting are those persons, including the holders of proxies, entitled to vote at the Creditors' Meeting, the Secured Creditors and their respective legal counsel, if any, and the officers, directors, auditors and legal counsel of Next Wood, together with such representatives of the Proposal Trustee as the Proposal Trustee may appoint in its discretion, and such scrutineers as may be duly



appointed by the chair of such meeting. Any other person may be admitted on invitation of the chair of the Creditors' Meeting or with the consent of the Creditors.

**Adjournment of Meetings**

41. The Creditors' Meeting may be adjourned in accordance with Section 52 of the Act.

**Voting by Creditors**

42. To the extent provided herein, each Creditor will be entitled to vote to the extent of the amount that is equal to the Creditor's Claim.

**Approval of Creditors**

43. In order for the Proposal to be binding on all of the Creditors of Next Wood in accordance with the BIA, it must be accepted by a majority in number, representing two-thirds in value of the Creditors who actually vote on the Proposal (in person, by proxy or by voting letter).

**PART IX - INSPECTORS**

44. At the Creditors' Meeting held to consider this Proposal, the Unsecured Creditors will be entitled to appoint one or more, but not exceeding five (5) inspectors in total. The inspectors will have the following powers, but shall have no personal liability to Next Wood or to other Creditors:
- (a) the power to extend the dates of payments provided under this Proposal;
  - (b) the power to waive any default in the performance of any provision of this Proposal;
  - (c) advising the Proposal Trustee in respect of such matters as the Proposal Trustee may refer to the Inspectors, if any; and
  - (d) advising the Proposal Trustee concerning any dispute that may arise as to the validity of Claims of Creditors under this Proposal including the settlement of same.

**PART X - MISCELLANEOUS**

**Modifications of Proposal**

45. Next Wood, with the consent of the Proposal Trustee, may propose an alteration or modification to the Proposal prior to the conclusion of the Creditors' Meeting called to consider the Proposal.





**Non Severability**

46. It is intended that all provisions of this Proposal shall be fully binding on and effective between all persons named or referred to in this Proposal and in the event that any particular provision or provisions of this Proposal is or are to be void, voidable or unenforceable for any reason whatever, then the remainder of this Proposal and all other provisions shall be void and of no force or effect.

**Applicable Law**

47. This Proposal shall be construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein and shall be treated in all respects as an Ontario contract.

**Binding Effect**

48. The provisions of this Proposal will be binding on the Creditors of Next Wood, and their respective heirs, executors, administrators, successors and assigns, upon issuance of the Approval Order.

*[Signature page follows]*

A handwritten signature in black ink, consisting of a stylized, cursive script, located in the bottom right corner of the page.

Dated at Vaughan this 14<sup>th</sup> day of May, 2014.

**NEXT WOOD INC.**

Per:

Name: Daryl Logan

Title: President

A handwritten signature in cursive script, appearing to read "Daryl Logan", is written over a horizontal line. The signature is positioned to the right of the printed name and title.

IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO  
Insolvent Person

RICHTER ADVISORY GROUP INC., Proposal Trustee

Court File No. 31-1859688  
Estate No. 31-1859688

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**(IN BANKRUPTCY AND INSOLVENCY)**

Proceedings commenced at Toronto

**ORDER**  
**(JULY 2, 2014)**

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IN THE MATTER OF THE PROPOSAL OF  
NEXT WOOD INC.  
OF THE CITY OF VAUGHAN  
IN THE PROVINCE OF ONTARIO  
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**MOTION RECORD**  
**(RETURNABLE ON JULY 2, 2014)**

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